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Markets In Perspective

A CLIENT-FRIENDLY GUIDE 2024 EDITION

Intelligent Investments. Independent Ideas.

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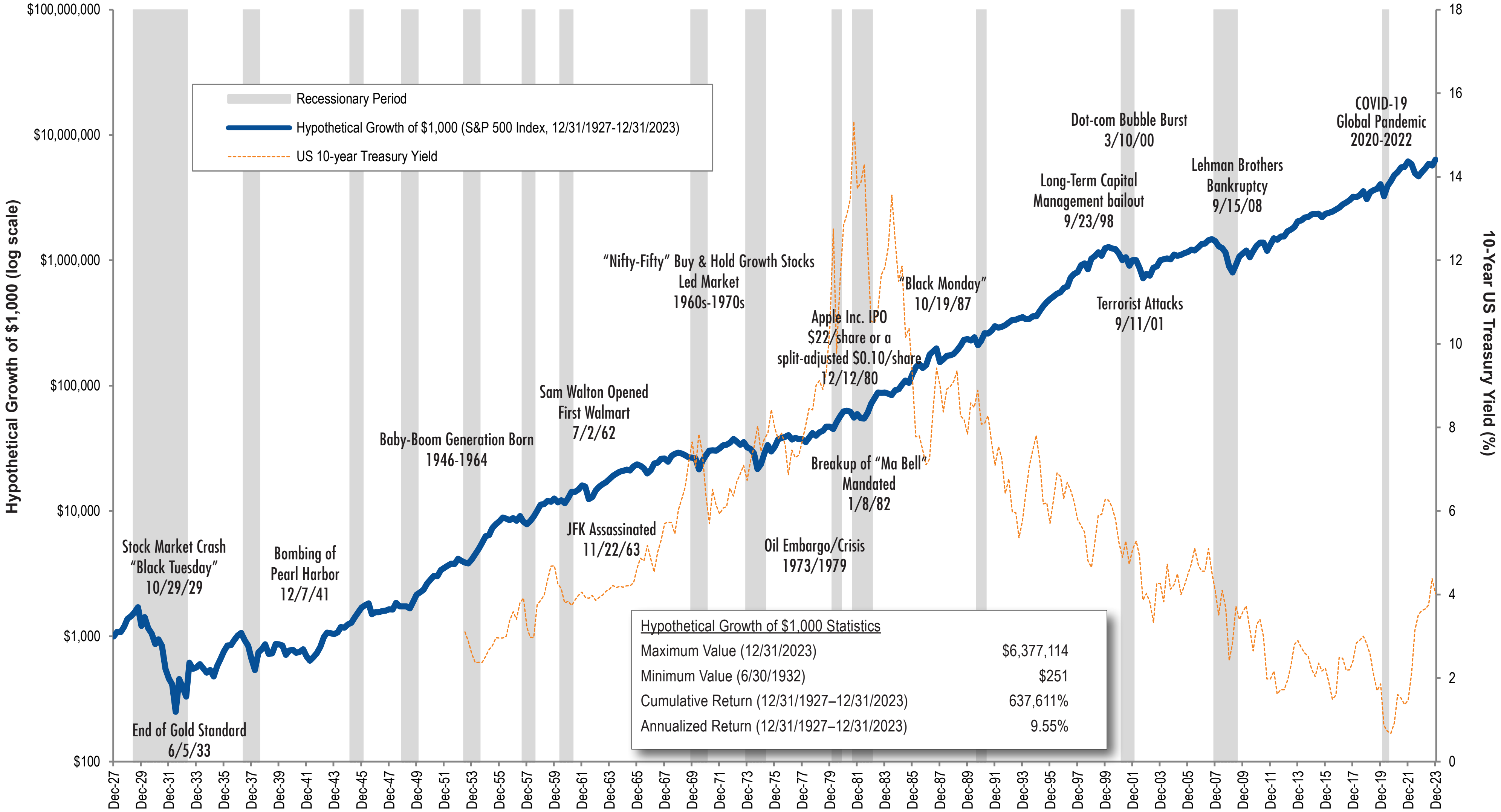
The key is time in the market, not timing the market...

A Brief History of the US Financial Market



Hypothetical Growth of $1,000 Statistics

Maximum Value (12/31/2023)	$6,377,114
Minimum Value (6/30/1932)	$251
Cumulative Return (12/31/1927–12/31/2023)	637,611%
Annualized Return (12/31/1927–12/31/2023)	9.55%

Growth of $1,000 Data Source: Bloomberg. US stock market represented by the S&P 500 Index. S&P 500 Index is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors. Calculated using quarterly return data beginning at 12/31/1927. Returns are price-only through 12/31/1935. Total returns are utilized thereafter. 10-year US Treasury Yields data source: Federal Reserve Board. Yields shown reflect quarter-end data. Recessionary periods defined by the National Bureau of Economic Research (NBER).

Past performance does not guarantee future results. It is not possible to invest directly in an index. Please see reverse side for additional important disclosure information.

Key Takeaways

Markets move higher, lower and sideways – sometimes all three within the same week.

When fear and uncertainty grip the markets, we believe investors ought to step back, refocus and regain perspective. Volatility can create opportunity.

Speak with a financial professional or visit www.aamlive.com to learn about potential investment opportunities in today's environment.

The charts and/or graphs do not reflect past or current recommendations made by AAM and should be considered academic treatments of empirical data. They are designed for educational purposes only and should not be used to predict security prices or market levels. Any suggestion of cause and effect or of the predictability of economic or investment cycles is unintentional. This report should only be considered as a tool in any financial professional's investment decision matrix. Investors should consult a financial professional when applying the assumptions of the charts or graphs within this material.

Past performance of the hypothetical numbers are not indicative of future results and the actual current performance of the numbers may be lower or higher than the future performance. Returns are not indicative of the performance of any AAM product.

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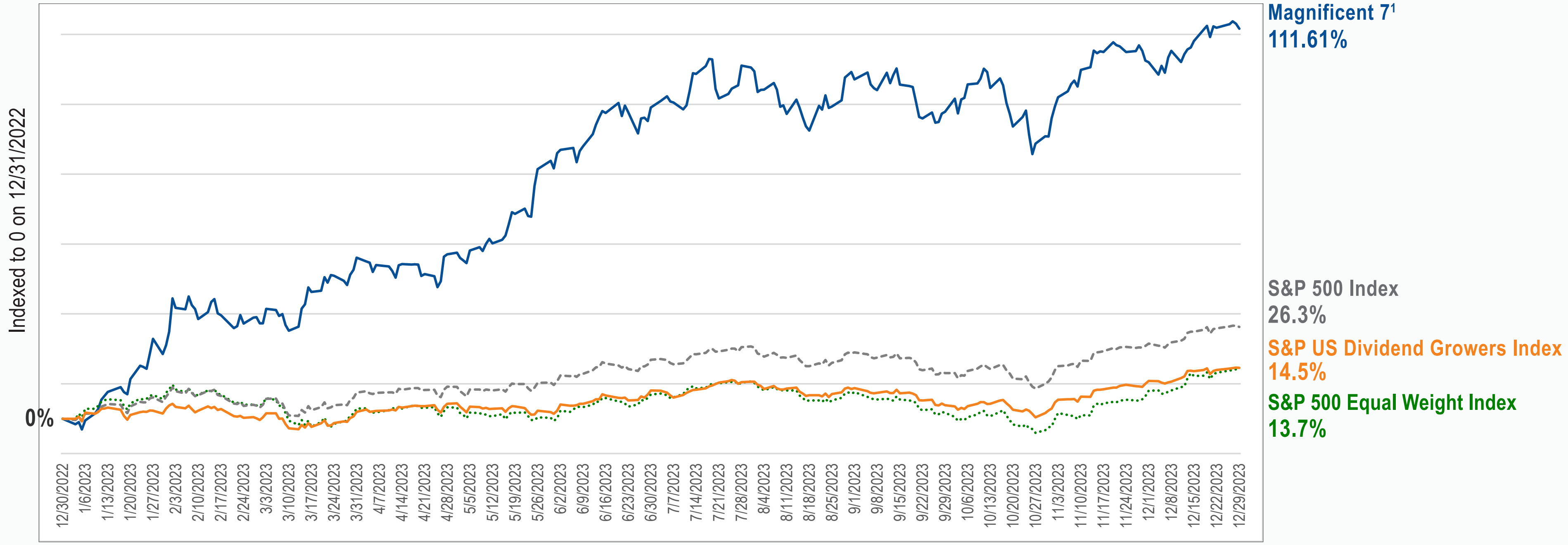
Dichotomy of 2023 Returns: Magnificent 7 vs. All Others

Headlines accentuating robust 2023 US equity returns do little to indicate how an average investor's portfolio likely performed. The S&P 500 Index's 26.3% gain was dominated by a handful of mega-cap, growth-oriented companies (dubbed the Magnificent 7) that comprised an outsized 29% of the Index's total market capitalization — an all-time high level of concentration. These seven stocks had an average total return of 111.6%[1] in 2023 and accounted for an astounding 62%[2] of the Index's 2023 return. The S&P 500 Equal Weight Index returned 13.7%, US Dividend Growers returned 14.5%, and according to S&P Dow Jones, the S&P 500 Index would have returned 9.9%[2] excluding the Magnificent 7 stocks.

We expect to see the equity markets broaden as we move through 2024 and, with these seven stocks considered by many to be fully valued at year-end levels, believe growth-at-a-reasonable-price, dividend-payers and value-oriented equities may again become market leaders. Timing the market is exceptionally difficult, if not impossible, and we at AAM believe investors should remain diversified and adjust portfolio allocations modestly when seeking to take advantage of any market rotation.

2023 Total Returns



Data source: Morningstar and Yahoo Finance based on daily total returns. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. **Past performance does not guarantee future results.** Returns shown are not indicative of any AAM product. Please see reverse for additional important information.

The Magnificent 7 is a term popularized to describe a set of dominant companies, particularly in the technology sector, involved with artificial intelligence, electric vehicles, cloud computing, and digital services.

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1. Data source: Yahoo Finance. Returns calculated on an equal-weight basis, using daily returns.
2. Source: S&P Dow Jones, https://www.spglobal.com/spdji/en/commentary/article/us-equities-market-attributes

Key Takeaways:

The outsized returns and market capitalizations of the Magnificent 7 stocks obscured results for the rest of the US equity market in 2023.

At year-end 2023 levels, the Magnificent 7 are “priced-for-perfection”.

We expect a broadening of markets in 2024 and a likely rotation toward growth-at-a-reasonable-price, dividend-payers and value-oriented equities.

Visit www.aamlive.com or contact a financial professional to discuss potential opportunities in today’s environment.

All investments involve risk; principal loss is possible. An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

DEFINITIONS: Mega cap companies are the largest in the investment universe as measured by market capitalization. The exact capitalization threshold changes with market conditions, however mega cap generally refers to companies with a market capitalization above $200 billion. **S&P 500 Index** is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors. The **S&P 500® Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance. The **S&P U.S. Dividend Growers Index** is designed to measure the performance of U.S. companies that have followed a policy of consistently increasing dividends every year for at least 10 consecutive years. The index excludes the top 25% highest-yielding eligible companies from the index.

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100 Years of Presidential Elections & S&P 500 Returns

Election Year	President Elected	Election Year S&P 500 Price Return	Following Year S&P 500 Price Return
2020	BIDEN	16.3%	26.9%
2016	TRUMP	9.5	19.4
2012	OBAMA	13.4	29.6
2008	OBAMA	-38.5	23.5
2004	BUSH, G.W.	9.0	3.0
2000	BUSH, G.W.	-10.1	-13.0
1996	CLINTON	20.3	31.0
1992	CLINTON	4.5	7.1
1988	BUSH, H.W.	12.4	27.3
1984	REAGAN	1.4	26.3
1980	REAGAN	25.8	-9.7
1976	CARTER	19.1	-11.5
1972	NIXON	15.6	-17.4
1968	NIXON	7.7	-11.4
1964	JOHNSON	13.0	9.1
1960	KENNEDY	-3.0	23.1
1956	EISENHOWER	2.6	-14.3
1952	EISENHOWER	11.8	-6.6
1948	TRUMAN	-0.7	10.3
1944	ROOSEVELT, F.	13.8	30.7
1940	ROOSEVELT, F.	-15.3	-17.9
1936	ROOSEVELT, F.	27.9	-38.6
1932	ROOSEVELT, F.	-15.1	46.6
1928	HOOVER	37.9	-11.9
1924	COOLIDGE	18.7	21.9
1920	HARDING	-24.5	7.4
1916	WILSON	3.4	-30.6
AVERAGE		**6.6%**	**5.9%**

US Presidential elections have occurred during periods of varying levels of economic growth, fiscal and monetary policy, and inflation. While these factors, along with many others, impact US equity market performance, another important concern for investors is how markets have reacted to changes in the US presidency. Let's take a look at what has happened over the last 100+ years, during 27 Presidential election cycles.

Overall:

- The average price return of the S&P 500 Index during a Presidential election year was approximately 6.6% and 5.9% the following year.
- The S&P 500 generated a positive return in 20 Presidential election years (74% of the time) while 16 of the years following a Presidential election were positive (59% of the time).

When a Republican was elected (13 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately 9.1% and the following year averaged 1.6%.

When a Democrat was elected (14 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately 4.2% and the following year averaged nearly 10.0%.

When a Republican was elected after a Democrat (6 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately 3.4% and the following year averaged -2.3%.

When a Democrat was elected after a Republican (6 occurrences):

- The average price return of the S&P 500 Index during the Presidential election year was approximately -2.8% and the following year averaged 19.3%.

Table source: Ned Davis Research, Inc. ©Copyright 2024 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/. Before 1919 study uses S&P monthy average prices (based on Cowles Commission estimates). After 1919, study uses S&P 500 closing prices. Please see reverse for additional important information.

US Presidential elections are only one of many factors that move equity markets. While history doesn't repeat itself, if often rhymes, so it may be worthwhile to learn how, over the last 100+ years, the S&P 500 Index performed during both the election and subsequent years.

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Cost of Missing Best Market Days

Don’t Let Fear Sink Your Long-Term Returns

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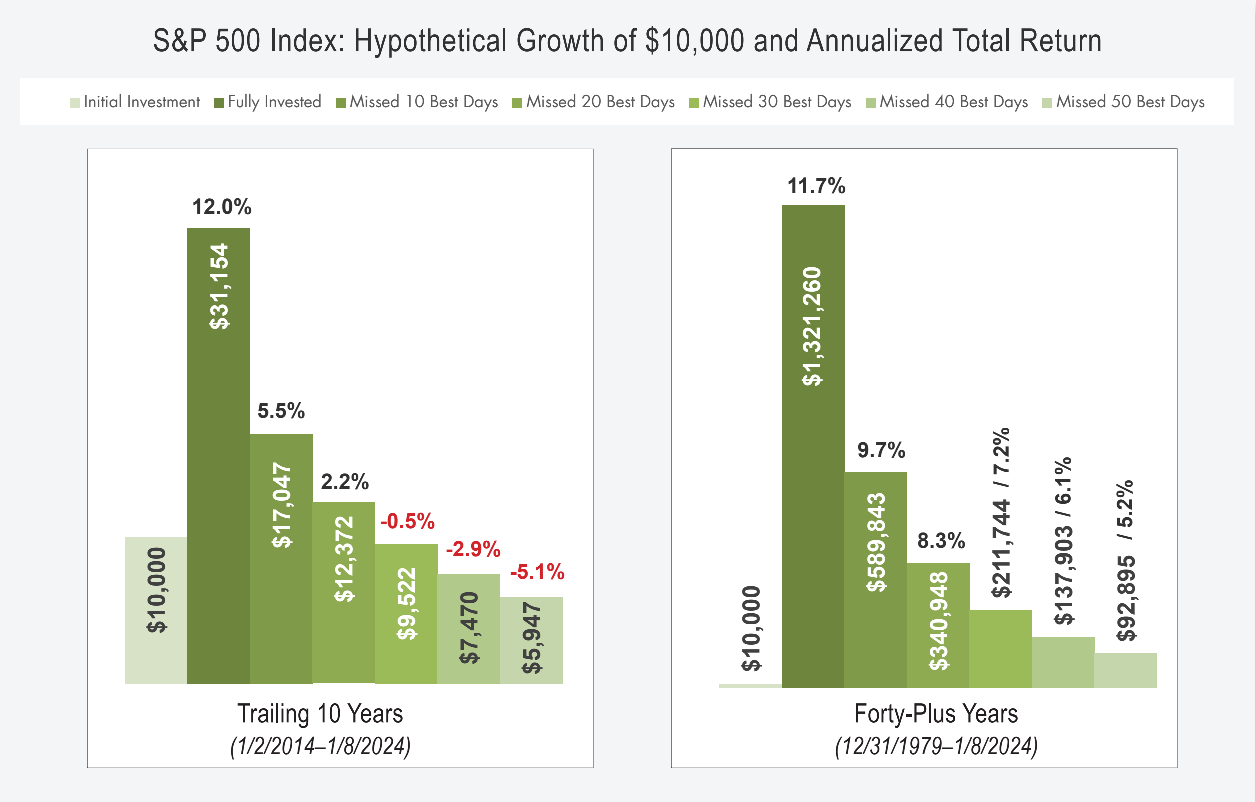
Uncertainty and volatility have reigned as markets grapple with inflation, volatile interest rates, and numerous geopolitical issues. With emotions running high, many investors tend to sell at or near the lows seeking to avoid additional losses. However, quite often, the best days occur on the heels of the worst (see reverse) and investors may miss the opportunity to participate in any potential market rebound.

The graphs below show the hypothetical growth of a $10,000 investment in the S&P 500 Index for the full time period as well as if the best 10, 20, 30, 40 and 50 days were missed. Missing each of the best days while participating in all of the worst over any period of time is extremely unlikely, however this analysis illustrates how significant the potential negative impact could be should an investor move to the sidelines every time fear and uncertainty increase market volatility.


S&P 500 Index: Hypothetical Growth of $10,000 and Annualized Total Return

Missing the best days can have a significant impact on long-term returns because it’s not just the one, ten, or fifty days’ worth of gains that are foregone, it’s the missed compounding of those gains.

As illustrated in the graph to the left, over the last 10 years (1/2/20143–1/8/2024), the annualized total return of the S&P 500 Index drops by more than half from 12.01% to 5.47% simply by missing the 10 best days. Miss the 30 best days and the S&P 500 Index actually declined!

Longer-term (12/31/1979–1/8/2024), the S&P 500 Index’s annualized total return of 11.72% drops by more than 2% a year when the 10 best days are missed. Miss the best 50 days and your annualized return has dropped by more than half to 5.19%.

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Bottom Line: Many of the best days occur on the heels of the worst and moving to the sidelines every time fear and uncertainty increase market volatility has the potential to sink your long-term returns.

S&P 500 INDEX: TEN LARGEST DAILY MOVES (1/4/1928 to 1/8/2024)

Date	Close	Point Change	% Change	Date	Close	Point Change	% Change
PERCENTAGE DECLINE				PERCENTAGE INCREASE			
10/19/1987	224.84	-57.86	-20.467	3/15/1933	6.81	0.97	16.610
10/28/1929	22.74	-3.20	-12.336	10/30/1929	22.99	2.56	12.531
3/16/2020	2,386.13	-324.89	-11.984	10/6/1931	9.91	1.09	12.358
10/29/1929	20.43	-2.31	-10.158	9/21/1932	8.52	0.90	11.811
11/6/1929	20.61	-2.27	-9.921	10/13/2008	1,003.35	104.13	11.580
3/12/2020	2,480.64	-260.74	-9.511	10/28/2008	940.51	91.59	10.789
10/18/1937	10.76	-1.10	-9.275	9/5/1939	12.64	1.11	9.627
10/15/2008	907.84	-90.17	-9.035	4/20/1933	7.82	0.68	9.524
12/1/2008	816.21	-80.03	-8.930	3/24/2020	2,447.33	290.93	9.383
7/20/1933	10.57	-1.03	-8.879	3/13/2020	2,711.02	230.38	9.287

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All investments involve risk; principal loss is possible. An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

S&P 500 Index is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors. See reverse for additional important information.

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Volatility Should Be Expected. Stay the Course.

S&P 500 Index Total Return Information 2000—2023

Year	Number of Down Months	Largest Monthly Positive Return (%)	Largest Monthly Decline (%)	Total Year Return (%)
2023	4	9.13	-4.77	26.29
2022	7	9.22	-9.21	-18.11
2021	3	7.01	-4.65	28.71
2020	5	12.82	-12.35	18.40
2019	2	8.01	-6.35	31.49
2018	4	5.73	-9.03	-4.38
2017	0	3.97	N/A	21.83
2016	3	6.78	-4.96	11.96
2015	6	8.44	-6.03	1.38
2014	4	4.57	-3.46	13.69
2013	2	5.18	-2.90	32.39
2012	3	4.48	-6.01	16.00
2011	6	10.93	-7.03	2.11
2010	4	8.92	-7.99	15.06
2009	3	9.57	-10.65	26.46
2008	8	4.87	-16.79	-37.00
2007	5	4.43	-4.18	5.49
2006	1	3.26	-2.88	15.79
2005	5	3.78	-2.44	4.91
2004	3	4.05	-3.31	10.88
2003	3	8.24	-2.62	28.68
2002	8	8.80	-10.87	-22.10
2001	6	7.77	-9.12	-11.89
2000	8	9.78	-7.88	-9.10
Average	4.29	7.07	-6.48	8.71

Market Volatility is the Norm

- It is normal for investors to feel unsettled during times of market volatility, but historically, the market has rebounded well from monthly declines and provided positive returns over the long-term.
- Through the end of 2023, the S&P 500 Index generated a positive return in 18 of the last 24 years (75% of the time), with an average total return of 8.71%.

Declines are Common

- Though the S&P 500 Index has shown a positive long-term trend, it is important to remember that periodic declines are not only normal, but are inevitable on the way to long-term growth. On average, investors experience over 4 months of negative returns each year. 2017 was the only year since 2000 with no monthly losses. During this same period, the largest loss was nearly 17% (2008).

Patience is a Virtue

- Resisting the urge to sell when facing market volatility could lead investors to potentially reap the benefits of any market rebound and could further reward those willing to stay the course.

Past performance does not guarantee future results. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Returns are not indicative of the performance of any AAM product. The S&P 500 Index is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors.

Though monthly declines are quite common, the S&P 500 Index has produced positive returns over the long-term. With that, waiting patiently through the down months can potentially be beneficial for investors, as the market has the potential to bounce back (and historically has done so). While there is no guarantee that an investment will grow, it is important to remember that there will likely be short-term losses along the way to any long-term growth.

In short, we believe investors should remain focused on their long-term investment goals and always remember: It's time in the market, not timing the market, that builds long-term wealth.

Talk to a financial professional or visit www.aamlive.com to learn about investment opportunities for a volatile environment.

Point vs. Percent When Viewing Market Moves

We understand that when keeping up with the day's headlines, seeing the value of the Dow Jones Industrial Average (DJIA) drop by four digits can be unsettling. However, remember that even at its 2023 year-end level a 2,900 point decline still wouldn't rank as one of the ten largest when viewed on a percentage basis. In fact, of the ten largest point declines since 1900, only two fall into the ten largest by percentage. **Longer-term, volatility can create opportunity and we believe the market is likely to reward the brave investor willing to stay the course despite sometimes unsettling market moves.**

DJIA TEN LARGEST DAILY MOVES (1/3/1900 to 12/31/2023)

Date	Close	Point Change	% Change	Date	Close	Point Change	% Change
PERCENTAGE DECLINE				PERCENTAGE INCREASE			
10/19/1987	1,738.74	-508.00	-22.611	3/15/1933	62.10	8.26	15.342
3/16/2020	20,188.52	-2,997.10	-12.927	10/6/1931	99.34	12.86	14.870
10/28/1929	260.64	-38.33	-12.821	10/30/1929	258.47	28.40	12.344
10/29/1929	230.07	-30.57	-11.729	3/24/2020	20,704.91	2,112.98	11.365
3/12/2020	21,200.62	-2,352.60	-9.988	9/21/1932	75.16	7.67	11.365
11/6/1929	232.13	-25.55	-9.915	10/13/2008	9,387.61	936.42	11.080
8/12/1932	63.11	-5.79	-8.403	10/28/2008	9,065.12	889.35	10.878
3/14/1907	55.84	-5.05	-8.289	10/21/1987	2,027.85	186.84	10.149
10/26/1987	1,793.93	-156.83	-8.039	8/3/1932	58.22	5.06	9.518
10/15/2008	8,577.91	-733.08	-7.873	2/11/1932	78.60	6.80	9.471
POINT DECLINE				POINT INCREASE			
3/16/2020	20,188.52	-2,997.10	-12.927	3/24/2020	20,704.91	2,112.98	11.365
3/12/2020	21,200.62	-2,352.60	-9.988	3/13/2020	23,185.62	1,985.00	9.363
3/9/2020	23,851.02	-2,013.76	-7.786	4/6/2020	22,679.99	1,627.46	7.730
6/11/2020	25,128.17	-1,861.82	-6.898	3/26/2020	22,552.17	1,351.62	6.375
3/11/2020	23,553.22	-1,464.94	-5.856	3/2/2020	26,703.32	1,293.96	5.092
3/18/2020	19,898.92	-1,338.46	-6.302	11/10/2022	33,715.37	1,201.43	3.695
9/13/2022	31,104.97	-1,276.37	-3.942	3/4/2020	27,090.86	1,173.45	4.528
2/27/2020	25,766.64	-1,190.95	-4.418	3/10/2020	25,018.16	1,167.14	4.893
2/5/2018	24,345.75	-1,175.21	-4.605	12/26/2018	22,878.45	1,086.25	4.985
5/18/2022	31,490.07	-1,164.52	-3.566	3/17/2020	21,237.38	1,048.86	5.195

When fear and uncertainty grip the markets, we believe investors ought to step back, refocus and regain perspective. This may be a prudent time to remember the adage "it's time in the market that builds returns, not timing the market."

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It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. **Past performance does not guarantee future results.** Returns shown are not indicative of any AAM product. Please see following page for additional important information.

TIME NEEDED TO BREAK EVEN FROM A 20%+ DECLINE IN DJIA 2/5/1900—12/31/2023

Peak Price	Peak Date	Bottom Price	Bottom Date	% Decline	Break Even Date	# Calendar Days Peak to Recovery
50.08	2/5/1900	38.80	9/24/1900	-22.5	11/17/1900	286
57.33	6/17/1901	30.88	11/9/1903	-46.1	3/24/1905	1,376
75.45	1/19/1906	38.83	11/15/1907	-48.5	7/28/1915	3,477
73.64	11/19/1909	53.43	9/25/1911	-27.4	7/22/1915	2,071
68.97	9/30/1912	52.32	7/30/1914	-24.1	4/16/1915	928
110.15	11/21/1916	65.95	12/19/1917	-40.1	7/9/1919	960
119.62	11/3/1919	63.90	8/24/1921	-46.6	12/31/1924	1,885
381.17	9/3/1929	198.69	11/13/1929	-47.9	11/23/1954	9,212
294.07	4/17/1930	157.51	12/16/1930	-46.4	2/26/1954	8,716
194.36	2/24/1931	121.70	6/2/1931	-37.4	3/10/1937	2,206
156.93	6/27/1931	86.48	10/5/1931	-44.9	3/5/1936	1,713
116.79	11/9/1931	71.24	1/5/1932	-39.0	5/23/1935	1,291
88.78	3/8/1932	41.22	7/8/1932	-53.6	5/27/1933	445
79.93	9/7/1932	50.16	2/27/1933	-37.2	5/10/1933	245
108.67	7/18/1933	83.64	10/21/1933	-23.0	1/30/1934	196
110.74	2/5/1934	85.51	7/26/1934	-22.8	5/4/1935	453
194.40	3/10/1937	98.95	3/31/1938	-49.1	12/8/1945	3,195
158.41	11/12/1938	121.44	4/08/1939	-23.3	2/19/1945	2,291
155.92	9/12/1939	111.84	6/10/1940	-28.3	2/13/1945	1,981
138.12	11/9/1940	92.92	4/28/1942	-32.7	5/4/1943	906
212.50	5/29/1946	161.60	6/13/1949	-24.0	4/8/1950	1,410
734.91	12/13/1961	535.76	6/26/1962	-27.1	9/5/1963	631
995.15	2/9/1966	744.32	10/7/1966	-25.2	11/10/1972	2,466
985.21	12/3/1968	631.16	5/26/1970	-35.9	11/9/1972	1,437
1,051.70	1/11/1973	577.60	12/6/1974	-45.1	11/3/1982	3,583
1,014.79	9/21/1976	742.12	2/28/1978	-26.9	3/25/1981	1,646
1,024.05	4/27/1981	776.92	8/12/1982	-24.1	10/20/1982	541
2,722.42	8/25/1987	1,738.74	10/19/1987	-36.1	8/24/1989	730
2,999.75	7/16/1990	2,365.10	10/11/1990	-21.2	4/17/1991	275
11,722.98	1/14/2000	8,235.81	9/21/2001	-29.7	10/3/2006	2,454
10,635.25	3/19/2002	7,286.27	10/9/2002	-31.5	1/26/2004	678
14,164.53	10/9/2007	6,547.05	3/9/2009	-53.8	3/5/2013	1,974
29,551.42	2/12/2020	18,591.93	3/23/2020	-37.1	11/16/2020	278
36,799.65	1/4/2022	28,725.51	9/30/2022	-21.9	12/13/2023	708
			Average	**-34.7**		**1,842**

- In 12 of the 34 instances where the DJIA declined more than 20%, it took less than two years to recover to the prior peak level.
- In the nine instances where the peak to trough decline was less than 25%, it took an average of 788 days or roughly 25 months to recover.

Speak with a financial professional or visit www.aamlive.com to learn more.

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All investments involve risk; principal loss is possible. An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

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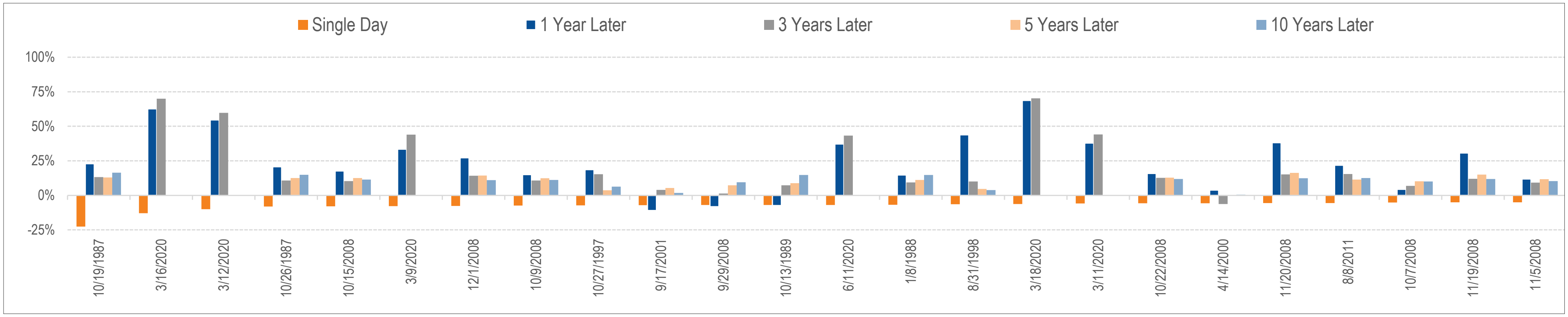
DJIA Performance After Single Day Declines >5%

ADVISORS ASSET MANAGEMENT

The Dow Jones Industrial Average (DJIA) has plunged 5% or more in a single day 24 times since 1987. The chart and table below show the price performance for the DJIA for the single day, and the subsequent one, three, five and ten year periods. While dramatic plunges can certainly be unsettling, remember that, on average, the DJIA generated a positive price return for each of the subsequent periods shown. Volatility can create opportunity and we believe the brave investor willing to stay the course may be rewarded over the longer-term.

DJIA PERFORMANCE AFTER DAILY DECLINE GREATER THAN 5% (1/1/1987 to 12/31/2023)



Date	Single Day Decline	1 Year Later	3 Years Later	5 Years Later	10 Years Later
10/19/1987	-22.61%	22.92%	13.18%	12.89%	16.37%
3/16/2020	-12.93	62.60	69.90	—	—
3/12/2020	-9.99	54.61	59.68	—	—
10/26/1987	-8.04	20.69	10.74	12.58	14.85
10/15/2008	-7.87	17.65	10.40	12.57	11.46
3/9/2020	-7.79	33.46	43.89	—	—
12/1/2008	-7.70	27.21	14.24	14.41	11.09
10/9/2008	-7.33	15.06	10.72	12.41	11.15
10/27/1997	-7.18	18.63	15.28	3.70	6.29
9/17/2001	-7.13	-10.97	4.01	5.35	1.79
9/29/2008	-6.98	-8.26	1.41	7.35	9.55
10/13/1989	-6.91	-7.32	7.31	8.76	14.79
6/11/2020	-6.90	37.21	43.26	—	—
1/8/1988	-6.85%	14.75%	9.34%	11.21%	14.77%
8/31/1998	-6.37	43.83	10.00	4.67	3.87
3/18/2020	-6.30	68.78	70.31	—	—
3/11/2020	-5.86	37.92	44.14	—	—
10/22/2008	-5.69	15.83	12.74	12.78	11.89
4/14/2000	-5.66	3.76	-6.21	-0.22	0.46
11/20/2008	-5.56	38.15	15.12	16.21	12.43
8/8/2011	-5.55	21.79	15.52	11.43	12.53
10/7/2008	-5.11	4.42	6.83	10.23	10.04
11/19/2008	-5.07	30.68	11.99	15.00	11.81
11/5/2008	-5.05	11.90	9.18	11.68	10.27
Average	**-7.60**	**16.73**	**20.96**	**10.17**	**10.30**

Data source: FRED Economic Data, St. Louis Federal Reserve. Price performance shown is annualized for periods greater than one year. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. **Past performance does not guarantee future results.** Returns shown are not indicative of any AAM product. Please see reverse for additional important information.

When fear and uncertainty grip the markets, we believe investors ought to step back, refocus and regain perspective. Often times, the best days occur on the heels of the worst and by moving to the sidelines you may miss the opportunity to participate in any potential market rebound.

Visit www.aamlive.com or contact a financial professional to discuss potential opportunities in a volatile environment. .

Dow Jones Industrial Average (DJIA) is a price weighted average of 30 actively traded blue-chip stocks. DJIA covers all industries with the exception of transportation and utilities.

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Market Volatility
The Upside of Downside Protection

WHY DOWNSIDE PROTECTION?

Market declines are an inevitable part of investing and the primary reason many investors seek downside protection strategies for their portfolios. Such losses represent a threat to a portfolio's long-term returns since:

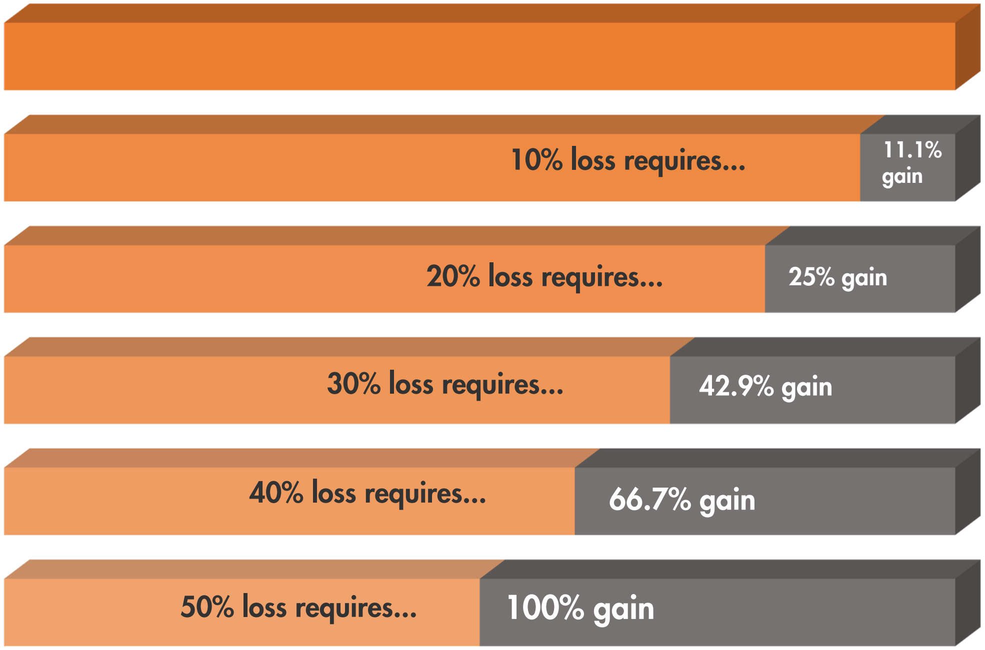
- Greater positive returns are needed to overcome the decline
- Market declines erode the power of compounding
- Recovery may be more difficult during a withdrawal phase (such as retirement) because the new investment base is lower.

Illustration1 shows the returns you would need to recover from various levels of market declines. For example, if a portfolio started with an initial investment of $1,000 and subsequently lost $100 (a 10% decline) the portfolio would need an 11.1% gain to return to its original value. Likewise, if a portfolio suffered a $200 loss (20% decline), it would need a 25% return on the new $800 value to recover the loss. A 50% loss requires a whopping 100% performance return to recover.

As you can see, the absolute percentage return needed to recover a loss is *more than* the absolute percentage loss. The greater the loss, the percentage return needed to recover the losses increases significantly. When one considers that market pullbacks and corrections are a necessary and normal part of market cycles, the need to balance upside capture with downside loss minimization becomes clear.

Illustration 1: Returns necessary to recover from market downturn.

Portfolios that lose less during periods of market declines generally have a greater ability to recover the losses. Compounding power is less impacted leaving the portfolio in a potentially better position when markets rebound.



The above graph is not indicative of the performance of any AAM product and is designed for educational purposes only and should not be used to predict security prices or market levels.

LOSS MINIMIZATION

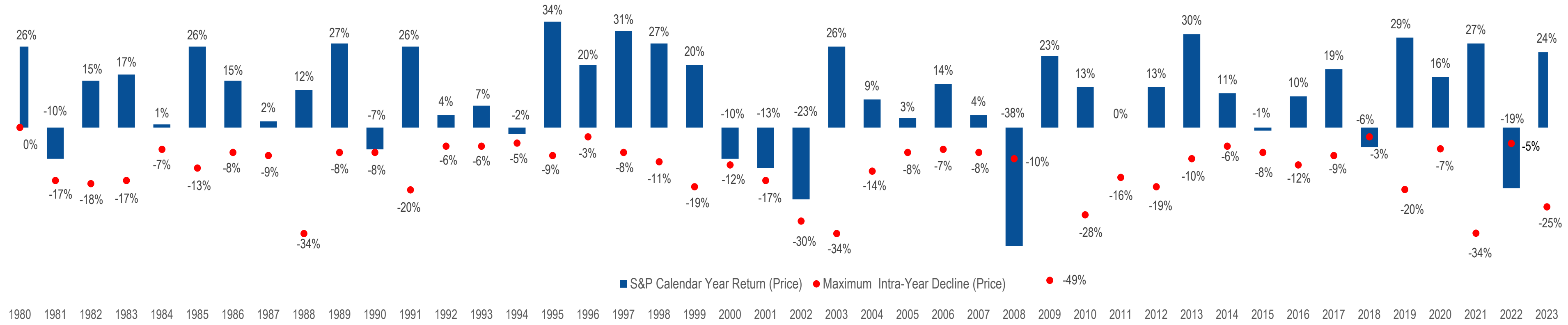
Downside protection strategies seek to limit the impact and magnitude of losses during market declines. By not incorporating downside protection strategies, a portfolio is potentially left vulnerable to significant market declines which, in turn, require greater future returns to get back to the initial portfolio value.

Chart 1 below depicts annual returns of the S&P 500 along with the maximum decline in each year. It is clear that even in years with a positive return, the market experienced periods of decline, some considerable. For example, 1987, 2002, 2008 and 2020 saw some of the largest market setbacks during this period. A portfolio that was positioned with investments offering downside protection could have potentially offset some of the losses during these difficult periods.

WHO AND WHEN?

We believe downside protection should be considered by investors who want to **preserve capital**, **accumulate capital** or are in a **withdrawal phase**.

CHART 1: ANNUAL S&P 500 RETURN AND CORRESPONDING ANNUAL MAXIMUM MARKET DECLINE (1980 - 2023)



Source: FactSet. Past performance is not indicative of future results and the actual performance of the numbers may be lower or higher than the future performance. Returns are not indicative of the performance of any AAM product. It is not possible to invest directly in an index. The S&P 500 Index is an unmanaged market capitalization-weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors.

> The best time to incorporate a downside protection strategy is *before* a market crisis. Waiting can be costly as, oftentimes, it is too late to reap the maximum benefits. For more information visit www.aamlive.com or contact a financial professional.

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Calendar Year Returns for Select Indexes (%)

Importance of Asset Class Diversification

Every asset class has its own risk/reward characteristics, and absolute returns and market leadership can vary drastically from year to year. The below table ranks select asset classes from highest to lowest by absolute return for the last 15 years.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emerging Markets 79.02	US Smallcap 26.85	10-year US Treasuries 29.02	Emerging Markets 18.63	US Smallcap 38.82	10-year US Treasuries 24.41	Municipal Bonds 3.30	Dividend Payers 21.98	Emerging Markets 37.75	Municipal Bonds 1.28	S&P 500 31.49	US Smallcap 19.96	Dividend Payers 32.24	Dividend Payers 2.31	S&P 500 26.29
US High Yield Bonds 58.21	Emerging Markets 19.20	Dividend Payers 12.42	Int'l Dev Markets 17.90	S&P 500 32.39	Dividend Payers 15.36	S&P 500 1.38	US Smallcap 21.31	DJIA 28.11	10-year US Treasuries -1.64	US Smallcap 25.52	Emerging Markets 18.69	S&P 500 28.71	DJIA -6.86	Int'l Dev Markets 18.85
Int'l Dev Markets 32.46	Dividend Payers 18.32	Municipal Bonds 10.70	US Smallcap 16.35	DJIA 29.65	S&P 500 13.69	DJIA 0.21	US High Yield Bonds 17.13	Int'l Dev Markets 25.62	US High Yield Bonds -2.08	DJIA 25.34	S&P 500 18.40	DJIA 20.95	Municipal Bonds -8.53	US Smallcap 16.93
US Smallcap 27.17	US High Yield Bonds 15.12	DJIA 8.38	S&P 500 16.00	Dividend Payers 29.06	DJIA 10.04	Int'l Dev Markets -0.39	DJIA 16.50	S&P 500 21.83	Inv. Grade Corp. Bonds -2.51	Dividend Payers 23.11	10-year US Treasuries 17.40	US Smallcap 14.82	US High Yield Bonds -11.19	DJIA 16.18
S&P 500 26.46	S&P 500 15.06	Inv. Grade Corp. Bonds 8.15	US High Yield Bonds 15.81	Int'l Dev Markets 23.29	Municipal Bonds 9.05	Inv. Grade Corp. Bonds -0.68	S&P 500 11.96	Dividend Payers 15.44	DJIA -3.48	Int'l Dev Markets 22.66	Inv. Grade Corp. Bonds 9.89	Int'l Dev Markets 11.78	Int'l Dev Markets -14.01	US High Yield Bonds 13.44
DJIA 22.68	DJIA 14.06	US High Yield Bonds 4.98	Dividend Payers 10.84	US High Yield Bonds 7.44	Inv. Grade Corp. Bonds 7.46	10-year US Treasuries -0.97	Emerging Markets 11.60	US Smallcap 14.65	S&P 500 -4.38	Emerging Markets 18.90	DJIA 9.72	US High Yield Bonds 5.28	Inv. Grade Corp. Bonds -15.76	Emerging Markets 10.27
Inv. Grade Corp. Bonds 18.68	10-year US Treasuries 9.36	S&P 500 2.11	DJIA 10.24	Inv. Grade Corp. Bonds -1.53	US Smallcap 4.89	Dividend Payers -1.64	Inv. Grade Corp. Bonds 6.11	10-year US Treasuries 8.18	Dividend Payers -5.94	Inv. Grade Corp. Bonds 14.54	Int'l Dev Markets 8.28	Municipal Bonds 1.52	S&P 500 -18.11	Inv. Grade Corp. Bonds 8.52
Municipal Bonds 12.91	Inv. Grade Corp. Bonds 9.00	US Smallcap -4.18	Inv. Grade Corp. Bonds 9.82	Emerging Markets -2.27	US High Yield Bonds 2.45	US Smallcap -4.41	Int'l Dev Markets 1.51	US High Yield Bonds 7.50	US Smallcap -11.01	10-year US Treasuries 14.34	US High Yield Bonds 7.11	Inv. Grade Corp. Bonds -1.04	Emerging Markets -19.74	Municipal Bonds 6.40
Dividend Payers 11.13	Int'l Dev Markets 8.21	Int'l Dev Markets -11.73	Municipal Bonds 6.78	Municipal Bonds -2.55	Emerging Markets -1.82	US High Yield Bonds -4.47	10-year US Treasuries 1.27	Inv. Grade Corp. Bonds 6.42	Int'l Dev Markets -13.36	US High Yield Bonds 14.32	Municipal Bonds 5.21	Emerging Markets -2.22	US Smallcap -20.44	10-year US Treasuries 3.17
10-year US Treasuries -12.98	Municipal Bonds 2.38	Emerging Markets -18.17	10-year US Treasuries 3.59	10-year US Treasuries -12.40	Int'l Dev Markets -4.48	Emerging Markets -14.60	Municipal Bonds 0.25	Municipal Bonds 5.45	Emerging Markets -14.25	Municipal Bonds 7.54	Dividend Payers -4.56	10-year US Treasuries -4.61	10-year US Treasuries -28.14	Dividend Payers 1.53

Source: Morningstar. **Past performance does not guarantee future results.** It is not possible to invest directly in an index. Diversification does not assure a profit or protect against loss. This table is not indicative of the performance of any AAM product. See reverse for Indexes used, index definitions and additional important information.

Asset Class Correlations (1/1/09–12/31/23)

	DJIA	Dividend Payers	US Smallcap	Int'l Dev Markets	Emerging Markets	Inv Grade Corp. Bonds	10-year US Treasuries	US High Yield Bonds	Municipal Bonds	S&P 500
DJIA	1.00									
Dividend Payers	0.89	1.00								
US Smallcap	0.86	0.83	1.00							
Int'l Dev Markets	0.86	0.79	0.79	1.00						
Emerging Markets	0.69	0.67	0.69	0.84	1.00					
Inv Grade Corp. Bonds	0.42	0.43	0.40	0.51	0.52	1.00				
10-year US Treasuries	-0.12	-0.05	-0.16	-0.09	-0.07	0.59	1.00			
US High Yield Bonds	0.67	0.64	0.71	0.76	0.74	0.69	-0.05	1.00		
Municipal Bonds	0.17	0.19	0.17	0.28	0.30	0.76	0.60	0.45	1.00	
S&P 500	0.96	0.86	0.89	0.88	0.74	0.48	-0.07	0.72	0.22	1.00

Source: Morningstar. **Past performance does not guarantee future results.** It is not possible to invest directly in an index. Correlation is a statistical measure of how two variables move in relation to each other with coefficients ranging from +1 to -1. A correlation coefficient of +1 implies that as one variable moves, the other will move in exact lockstep. Alternatively, a correlation coefficient of -1 implies that if one variable moves, the other moves in the same amount in the opposite direction. If the correlation is 0, the movements of the variables are completely random.

Key Takeaway: Every asset class has its own risk/reward characteristics. Absolute returns and market leadership can vary drastically from year to year. The correlations between several indexes shown above have been low or negative, which indicates that an investor may potentially **smooth portfolio volatility by investing across several asset classes**.

Speak with a financial professional or visit www.aamlive.com for more information about how diversification may benfit your portfolio.

Index Definitions

🟪 DJIA represented by the Dow Jones Industrial Average, which is a price weighted average of 30 actively traded blue-chip stocks. DJIA covers all industries with the exception of transportation and utilities.

🟦 Dividend Payers represented by the Dow Jones US Select Dividend Index, which is an unmanaged index of 100 stocks used to measure performance of dividend-paying US equities.

🟩 US Smallcap represented by the Russell 2000 Index, which is an unmanaged, capitalization weighted index comprised of the 2,000 smallest companies in the Russell 3000 Index. It serves as a benchmark for US smallcap stocks.

⬜ Int'l Dev Markets represented by the MSCI EAFE (Europe, Australasia, Far East) Index GR USD, which is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the US & Canada.

🟩 Emerging Markets represented by the MSCI Emerging Markets Index GR USD, which is a free float-adjusted market capitalization index that is designed to measure the performance of large- and mid-cap securities in emerging countries.

⬛ Inv Grade Corp. Bonds represented by the Bloomberg US Corporate Bond Index. which is an unmanaged market-value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more.

🟧 10-year US Treasuries represented by the Bloomberg US Treasury 10+ Year Index, which is an unmanaged, market capitalization weighted index of all Treasuries in the Bloomberg US Aggregate Bond Index with a maturity of 10 years or more.

🟧 US High Yield Bonds represented by the Bloomberg US Corporate High Yield Index that consists of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt.

🟨 Municipal Bonds represented by the Bloomberg Municipal Bond Index, which is a market value weighted index of investment grade municipal bonds with maturities of one year or more.

🟦 S&P 500 Index is an unmanaged market capitalization weighted index used to measure the performance of 500 companies chosen for market size, liquidity and industry grouping, among other factors.

All investments involve risk; principal loss is possible. It is not possible to invest directly in an index. **Past performance does not guarantee future results.** Diversification does not assure a profit or protect against loss.

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Calendar Year Returns for S&P 500 Sectors (%)

Importance of Diversification in Your Sector Allocation

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The below table shows the S&P 500 Index GICS (global industry classification standard) sector returns ranked from highest to lowest for the last 15 calendar years, along with the S&P 500 Index for comparison purposes. Upon inspection, it quickly becomes evident that not only does market leadership change frequently from year to year, but absolute returns vary widely as well. AAM believes a portfolio diversified across several sectors can smooth volatility and potentially increase risk-adjusted returns.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Information Technology 61.72	Consumer Discretionary 27.66	Utilities 19.91	Financials 28.82	Consumer Discretionary 43.08	Utilities 28.98	Consumer Discretionary 10.11	Energy 27.36	Information Technology 38.83	Health Care 6.47	Information Technology 50.29	Information Technology 43.89	Energy 54.64	Energy 65.72	Information Technology 57.84
Materials 48.59	Industrials 26.73	Consumer Staples 13.99	Consumer Discretionary 23.92	Health Care 41.46	Health Care 25.34	Health Care 6.89	Communication Services 23.49	Materials 23.84	Utilities 4.11	Communication Services 32.69	Consumer Discretionary 33.30	Real Estate 46.19	Utilities 1.57	Communication Services 55.80
Consumer Discretionary 41.30	Materials 22.20	Health Care 12.73	Telecom Services 18.31	Industrials 40.68	Information Technology 20.12	Consumer Staples 6.60	Financials 22.80	Consumer Discretionary 22.98	Consumer Discretionary 0.83	Financials 32.13	Communication Services 23.61	Financials 35.04	Consumer Staples -0.62	Consumer Discretionary 42.41
S&P 500 26.46	Energy 20.46	Telecom Services 6.27	Health Care 17.89	Financials 35.63	Consumer Staples 15.98	Information Technology 5.92	Industrials 18.86	Financials 22.18	Information Technology -0.29	S&P 500 31.49	Materials 20.73	Information Technology 34.53	Health Care -1.95	S&P 500 26.29
Industrials 20.93	Telecom Services 18.97	Consumer Discretionary 6.13	S&P 500 16.00	S&P 500 32.39	Financials 15.20	Telecom Services 3.40	Materials 16.69	Health Care 22.08	Real Estate -2.22	Industrials 29.37	S&P 500 18.40	S&P 500 28.71	Industrials -5.48	Industrials 18.13
Health Care 19.70	S&P 500 15.06	Energy 4.72	Industrials 15.35	Information Technology 28.43	S&P 500 13.69	S&P 500 1.38	Utilities 16.29	S&P 500 21.83	S&P 500 -4.38	Real Estate 29.01	Health Care 13.45	Materials 27.28	Financials -10.53	Materials 12.55
Financials 17.22	Consumer Staples 14.11	Information Technology 2.41	Materials 14.97	Consumer Staples 26.14	Industrials 9.83	Financials -1.53	Information Technology 13.85	Industrials 21.03	Consumer Staples -8.38	Consumer Discretionary 27.94	Industrials 11.06	Health Care 26.13	Materials -12.27	Real Estate 12.36
Consumer Staples 14.89	Financials 12.13	S&P 500 2.11	Information Technology 14.82	Materials 25.60	Consumer Discretionary 9.68	Industrials -2.53	S&P 500 11.96	Consumer Staples 13.49	Communication Services -12.53	Consumer Staples 27.61	Consumer Staples 10.75	Consumer Discretionary 24.43	S&P 500 -18.11	Financials 12.15
Energy 13.82	Information Technology 10.19	Industrials -0.59	Consumer Staples 10.76	Energy 25.07	Materials 6.91	Utilities -4.85	Consumer Discretionary 6.03	Utilities 12.11	Financials -13.03	Utilities 26.35	Utilities 0.48	Communication Services 21.57	Real Estate -26.13	Health Care 2.06
Utilities 11.91	Utilities 5.46	Materials -9.75	Energy 4.61	Utilities 13.21	Telecom Services 2.99	Materials -8.38	Consumer Staples 5.38	Real Estate 10.85	Industrials -13.29	Materials 24.58	Financials -1.69	Industrials 21.12	Information Technology -28.19	Consumer Staples 0.52
Telecom Services 8.93	Health Care 2.90	Financials -17.06	Utilities 1.29	Telecom Services 11.47	Energy -7.78	Energy -21.12	Real Estate 3.39	Energy -1.01	Materials -14.70	Health Care 20.82	Real Estate -2.17	Consumer Staples 18.63	Consumer Discretionary -37.03	Energy -1.33
							Health Care -2.69	Communication Services -1.25	Energy -18.10	Energy 11.81	Energy -33.68	Utilities 17.67	Communication Services -39.89	Utilities -7.08

Source: Morningstar. Past performance does not guarantee future results. It is not possible to invest directly in an index. Diversification does not assure a profit or protect against loss. This table is not indicative of the performance of any AAM product. See reverse for additional important information.

Sectors represented by the relevant S&P 500 sector index, which is a subset of the S&P 500 Index and includes all companies classified in the respective GICS sector. In 2016, the Real Estate industry group (with the exception of mortgage REITs) was moved out of the Financials sector to a newly created Real Estate sector. In 2018, the Telecom Services sector was renamed Communication Services. The sector was expanded to include media and entertainment companies previously in the Consumer Discretionary sector, as well as interactive media and services companies from the information technology sector.

As illustrated in the table, both absolute and relative returns vary widely between sectors each year. It can therefore be very difficult to correctly forecast top performing areas on a consistent basis and we believe a portfolio diversified across several sectors may have the potential to smooth volatility and increase risk-adjusted returns.

In fact, we see several potential benefits of approximately equal-weighting sectors within a portfolio:

- Increase sector diversification by reducing concentration in individual sectors
- Avoid large weightings in potentially overvalued sectors
- Increase exposure to possibly undervalued sectors that may have greater upside potential
- Potential to generate higher returns compared to a less diversified portfolio, given participation by all sectors, including the highest performers

Visit www.aamlive.com to learn more about several of AAM's one-ticket unit investment trust (UIT) opportunities that are broadly diversified across multiple sectors. Please note that many AAM UITs are thematic and do not provide broad diversification across multiple sectors.

Visit www.aamlive.com or contact a financial professional to learn more.

All investments involve risk; principal loss is possible. Diversification does not assure a profit or protect against loss. **S&P 500 Index** is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors.

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 online 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.

Unless otherwise stated, all information and opinions contained in this publication were produced by Advisors Asset Management, Inc. (AAM) and other sources believed by AAM to be accurate and reliable. However, third party sources cannot be guaranteed as to accuracy or completeness. Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and best interests. All expressions of opinions are subject to change without notice.

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 a portfolio will be achieved. Additionally, a trust may terminate earlier than the specific termination dates as stated in a trust's prospectus. Consult a tax professional 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 therewith which includes, but is not limited to: Common Stock: An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. **Dividend Payment Risk:** An issuer of a security may be unwilling or unable to pay income on a security. Common stocks do not assure dividend payments and are paid only when declared by an issuer's board of directors. The amount of any dividend may vary over time.

AAM may make a market in or have other financial interests in any sector discussed in this report. These opinions are not intended to be a forecast of future events, a guarantee of future results, or investment advice. There is no guarantee that the objective will be achieved.

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Calendar Year Returns for Select Indexes (%)

Importance of Diversification in Your Income Allocation

The below table ranks select income-oriented indexes by absolute return from highest to lowest for the last 15 calendar years, with the S&P 500 shown as a broad market comparison. As illustrated in the table and charts on the following page:

- Market leadership changes frequently from year to year, making it difficult to determine the top performers; a well-diversified portfolio has the potential to smooth volatility and possibly increase risk-adjusted returns.
- Income-oriented investments generally outperformed in volatile environments and when the broad US equity market declined (2000–2002, 2008, 2011, 2018 and 2022).
- Low correlations among income-oriented indexes indicate that diversification within your income allocation may be beneficial to your overall portfolio.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MLPs 76.41	BDCs 51.91	Utilities 19.91	BDCs 33.81	S&P 500 32.39	REITs 30.26	Preferred Stock 4.87	BDCs 24.18	S&P 500 21.83	Utilities 4.11	S&P 500 31.49	S&P 500 18.40	REITs 43.05	MLPs 30.92	BDCs 27.58
US High Yield Bonds 58.21	MLPs 35.85	MLPs 13.88	Preferred Stock 24.31	Dividend Payers 29.06	Utilities 28.98	Municipal Bonds 3.30	Dividend Payers 21.98	Dividend Payers 15.44	Municipal Bonds 1.28	BDCs 28.16	International Bonds 10.11	MLPs 40.17	Dividend Payers 2.31	MLPs 26.56
BDCs 56.46	REITs 28.47	Dividend Payers 12.42	REITs 17.99	MLPs 27.58	Dividend Payers 15.36	REITs 2.54	MLPs 18.31	Utilities 12.11	US Treasuries 0.82	Utilities 26.35	US Treasuries 8.33	BDCs 37.42	Utilities 1.57	S&P 500 26.29
Preferred Stock 50.83	Dividend Payers 18.32	Municipal Bonds 10.70	S&P 500 16.00	BDCs 17.07	S&P 500 13.69	S&P 500 1.38	US High Yield Bonds 17.13	International Bonds 10.51	US High Yield Bonds -2.08	REITs 24.45	Preferred Stock 7.95	Dividend Payers 32.24	Preferred Stock -1.16	REITs 13.77
REITs 28.60	US High Yield Bonds 15.12	US Treasuries 9.90	US High Yield Bonds 15.81	Utilities 13.21	Preferred Stock 13.50	US Treasuries 0.80	Utilities 16.29	Preferred Stock 10.35	International Bonds -2.15	Dividend Payers 23.11	US High Yield Bonds 7.11	S&P 500 28.71	Municipal Bonds -8.53	US High Yield Bonds 13.44
S&P 500 26.46	S&P 500 15.06	REITs 8.48	Dividend Payers 10.84	US High Yield Bonds 7.44	Municipal Bonds 9.05	Dividend Payers -1.64	S&P 500 11.96	US High Yield Bonds 7.50	Preferred Stock -3.44	Preferred Stock 14.48	Municipal Bonds 5.21	Utilities 17.67	BDCs -9.39	Preferred Stock 12.28
Municipal Bonds 12.91	US Treasuries 5.82	US High Yield Bonds 4.98	Municipal Bonds 6.78	REITs 2.40	US Treasuries 6.11	BDCs -3.68	REITs 8.49	Municipal Bonds 5.45	REITs -3.79	US High Yield Bonds 14.32	Utilities 0.48	Preferred Stock 5.56	US High Yield Bonds -11.19	Municipal Bonds 6.40
Utilities 11.91	Utilities 5.46	International Bonds 4.36	MLPs 4.80	Municipal Bonds -2.55	MLPs 4.80	US High Yield Bonds -4.47	Preferred Stock 6.07	REITs 4.33	S&P 500 -4.38	Municipal Bonds 7.54	Dividend Payers -4.56	US High Yield Bonds 5.28	US Treasuries -12.94	International Bonds 5.72
Dividend Payers 11.13	International Bonds 4.95	S&P 500 2.11	International Bonds 4.09	International Bonds -3.08	US High Yield Bonds 2.45	Utilities -4.85	International Bonds 1.49	US Treasuries 2.53	Dividend Payers -5.94	US Treasuries 6.92	REITs -7.52	Municipal Bonds 1.52	S&P 500 -18.11	US Treasuries 4.12
International Bonds 7.53	Preferred Stock 2.86	BDCs -9.76	US Treasuries 2.05	US Treasuries -3.37	International Bonds -3.08	International Bonds -6.02	US Treasuries 1.08	BDCs 0.64	BDCs -7.01	MLPs 6.56	BDCs -8.85	US Treasuries -2.47	International Bonds -18.70	Dividend Payers 1.53
US Treasuries -3.81	Municipal Bonds 2.38	Preferred Stock -10.10	Utilities 1.29	Preferred Stock -7.89	BDCs -6.90	MLPs -32.59	Municipal Bonds 0.25	MLPs -6.52	MLPs -12.42	International Bonds 5.09	MLPs -28.69	International Bonds -7.05	REITs -24.36	Utilities -7.08

Source: Morningstar. **Past performance does not guarantee future results.** It is not possible to invest directly in an index. Diversification does not assure a profit or protect against loss. This table is not indicative of the performance of any AAM product. See reverse for Indexes used, index definitions and additional important information.

Annualized Returns For Periods Ending 12/31/23 (%)

	1 Year	3 Years	5 Years	10 Years	15 Years
S&P 500	26.29	10.00	15.69	12.03	13.97
Utilities	-7.08	3.56	7.11	8.91	9.33
US High Yield Bonds	13.44	1.98	5.37	4.60	9.17
US Treasuries	4.12	-4.02	0.47	1.36	1.57
Municipal Bonds	6.40	-0.40	2.25	3.03	3.98
Dividend Payers	1.53	11.16	10.05	9.26	11.51
REITs	13.77	7.17	7.22	7.50	10.48
MLPs	26.56	32.43	12.03	1.90	10.39
Preferred Stock	12.28	5.42	7.68	6.89	7.86
International Bonds	5.72	-7.21	-1.56	-0.79	0.63
BDCs	27.58	16.68	13.16	6.82	13.29

Source: Morningstar. **Past performance does not guarantee future results.** It is not possible to invest directly in an index.

Index Correlations (1/1/09–12/31/23)

	S&P 500	Utilities	US HY Bonds	US Treasuries	Muni Bonds	Dividend Payers	REITs	MLPs	Preferred Stock	Int'l Bonds	BDCs
S&P 500	1.00										
Utilities	0.48	1.00									
US High Yield Bonds	0.72	0.41	1.00								
US Treasuries	-0.02	0.25	0.01	1.00							
Municipal Bonds	0.22	0.37	0.45	0.63	1.00						
Dividend Payers	0.86	0.61	0.64	-0.03	0.19	1.00					
REITs	0.76	0.58	0.67	0.17	0.37	0.79	1.00				
MLPs	0.59	0.29	0.65	-0.22	0.14	0.61	0.43	1.00			
Preferred Stock	0.58	0.34	0.61	-0.01	0.17	0.57	0.67	0.32	1.00		
International Bonds	0.50	0.43	0.52	0.52	0.54	0.46	0.48	0.23	0.43	1.00	
BDCs	0.77	0.37	0.73	-0.09	0.16	0.80	0.72	0.64	0.65	0.37	1.00

Source: Morningstar. **Past performance does not guarantee future results.** It is not possible to invest directly in an index. Correlation is a statistical measure of how two variables move in relation to each other with coefficients ranging from +1 to -1. A correlation coefficient of +1 implies that as one variable moves, the other will move in exact lockstep. Alternatively, a correlation coefficient of -1 implies that if one variable moves, the other moves in the same amount in the opposite direction. If the correlation is 0, the movements of the variables are completely random.

Index Definitions

🟩 S&P 500 Index is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors.

🟦 Utilities represented by the S&P 500 Utilities Index, which is a subset of the S&P 500 Index and includes all companies classified in the GICS utilities sector.

⬛ US High Yield Bonds (US HY Bonds) represented by the Bloomberg US Corporate High Yield Index that consists of USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt.

🟧 US Treasuries represented by the Markit iBoxx USD Treasuries Index, which utilizes a rules-based methodology to measure the performance of the US Treasury market with constituent selection subject to maturity, amount outstanding and rating constraints.

🟪 Municipal Bonds represented by the Bloomberg Municipal Bond Index, which is a market value weighted index of investment grade municipal bonds with maturities of one year or more.

🟦 Dividend Payers represented by the Dow Jones US Select Dividend Index, which is an unmanaged index of 100 stocks used to measure performance of dividend-paying US equities.

🟨 REITs (Real Estate Investment Trusts) represented by the S&P US REIT Index, which is a free-float adjusted, market capitalization-weighted index that defines and measures the investable universe of publicly-traded real estate investment trusts domiciled in the United States.

🟧 MLPs (Master Limited Partnerships) represented by the Alerian MLP Index, which is a float-adjusted, capitalization weighted index comprised of the 50 most prominent MLPs.

🟩 International Bonds represented by the Bloomberg Global Aggregate ex. US Index in US dollars is a subset of the Global Aggregate Index, which consists of over 5,000 government, corporate, asset-backed and mortgage-backed securities that excludes those securities issued by the US government or corporations headquartered in the US.

🟦 Preferred Stocks represented by the ICE BofA Adjustable Rate Preferred Index TR USD, tracks the performance of adjustable-rate US dollar denominated preferred securities issued in the US domestic market.

🟪 BDCs represented by the S&P BDC Index, which measures the performance of Business Development Companies that trade on major US exchanges. Constituents are float-adjusted market capitalization (FMC) weighted, subject to a single constituent weight cap of 10%.

All investments involve risk; principal loss is possible. Diversification does not assure a profit or protect against loss.

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Calendar Year Returns for Select Global Equity Markets (%)

Think Globally

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The below table shows the index returns for select areas of the world ranked from highest to lowest for the last 15 calendar years. Upon inspection, it quickly becomes evident that not only does market leadership change frequently from year to year, but absolute returns vary widely as well. AAM believes a portfolio diversified from a geographic perspective can smooth volatility and potentially increase risk-adjusted returns.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emerging Markets 79.02	Frontier Markets 24.24	United States 2.11	Europe 19.93	United States 32.39	United States 13.69	Pacific Countries 3.21	United States 11.96	Emerging Markets 37.75	United States -4.38	United States 31.49	Emerging Markets 18.69	United States 28.71	Pacific Countries -12.78	United States 26.29
Global ex-US 42.14	Emerging Markets 19.20	Europe -10.50	Emerging Markets 18.63	Frontier Markets 26.32	Frontier Markets 7.21	United States 1.38	Emerging Markets 11.60	Frontier Markets 32.32	Pacific Countries -11.78	Europe 24.59	United States 18.40	Frontier Markets 20.09	Developed International -14.01	Europe 20.66
Europe 36.81	Pacific Countries 16.08	Developed International -11.73	Developed International 17.90	Europe 25.96	Emerging Markets -1.82	Developed International -0.39	Global ex-US 5.01	Global ex-US 27.77	Developed International -13.36	Developed International 22.66	Pacific Countries 12.25	Europe 16.97	Europe -14.53	Developed International 18.85
Developed International 32.46	United States 15.06	Global ex-US -13.33	Global ex-US 17.39	Developed International 23.29	Pacific Countries -2.47	Europe -2.34	Pacific Countries 4.46	Europe 26.24	Global ex-US -13.78	Global ex-US 22.13	Global ex-US 11.13	Developed International 11.78	Global ex-US -15.57	Global ex-US 16.21
United States 26.46	Global ex-US 11.60	Pacific Countries -13.61	United States 16.00	Pacific Countries 18.43	Global ex-US -3.44	Global ex-US -5.25	Frontier Markets 3.16	Developed International 25.62	Emerging Markets -14.25	Pacific Countries 19.61	Developed International 8.28	Global ex-US 8.29	United States -18.11	Pacific Countries 15.59
Pacific Countries 24.34	Developed International 8.21	Emerging Markets -18.17	Pacific Countries 14.60	Global ex-US 15.78	Developed International -4.48	Frontier Markets -14.07	Developed International 1.51	Pacific Countries 24.96	Europe -14.32	Emerging Markets 18.90	Europe 5.93	Pacific Countries 2.89	Emerging Markets -19.74	Frontier Markets 12.17
Frontier Markets 11.72	Europe 4.49	Frontier Markets -18.38	Frontier Markets 9.25	Emerging Markets -2.27	Europe -5.68	Emerging Markets -14.60	Europe 0.22	United States 21.83	Frontier Markets -16.20	Frontier Markets 18.34	Frontier Markets 1.65	Emerging Markets -2.22	Frontier Markets -26.05	Emerging Markets 10.27

Source: Morningstar. Returns represent total annual returns (reinvestment of all distributions) in US dollars and does not include fees and expenses. **Past performance does not guarantee future results.** It is not possible to invest directly in an index. Diversification does not assure a profit or protect against loss. This table is not indicative of the performance of any AAM product. See reverse for additional important information.

With the US equity market among the top performing for the last decade-plus, are your portfolio allocations out of line? We believe now may be a good time to speak to a financial professional about international investing.

🟧 Developed International represented by the MSCI EAFE Index (Europe, Australasia, Far East), which is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets*, excluding the US & Canada.

🟦 Emerging Markets represented by the MSCI Emerging Markets Index, which is designed to represent the performance of large- and mid-cap securities in 24 EM* countries. As of December 2023, it had 1,441 constituents and covered approximately 85% of the free float-adjusted market capitalization in each country.

🟪 Europe represented by the MSCI Europe Index, which is designed to represent the performance of large- and mid-cap equities across 15 DM countries*. As of December 2023 it had 425 constituents and covered approximately 85% of the free float-adjusted market capitalization across the European developed market equity universe.

🟩 Frontier Markets represented by the MSCI Frontier Markets Index, which captures large and mid cap representation across 29 Frontier Markets (FM) countries*. As of December 2023, the index includes 211 constituents, covering about 85% of the free float-adjusted market capitalization in each country.

🟨 Global ex-U.S. represented by the MSCI ACWI ex-USA Index, is designed to capture large and mid cap representation across 22 of 23 DM countries* (excluding the US) and 24 EM countries*. The index targets coverage of approximately 85% of the global equity opportunity set outside the US.

🟧 Pacific Countries represented by the MSCI Pacific Index, which is a market capitalization-weighted benchmark index made up of equities from the Pacific region including Australia, Hong Kong, Japan, New Zealand and Singapore.

🟦 United States represented by the S&P 500 Index, which is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors.

** **Developed Market (DM) countries** include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the United States. **Emerging Market (EM) countries** include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. **Frontier Market countries** include: Bahrain, Bangladesh, Benin, Burkina Faso, Croatia, Estonia, Guinea-Bissau, Iceland, Ivory Coast, Jordan, Kazakhstan, Kenya, Latvia, Lithuania, Mali, Mauritius, Morocco, Niger, Nigeria, Oman, Pakistan, Romania, Senegal, Serbia, Slovenia, Sri Lanka, Togo, Tunisia and Vietnam.*

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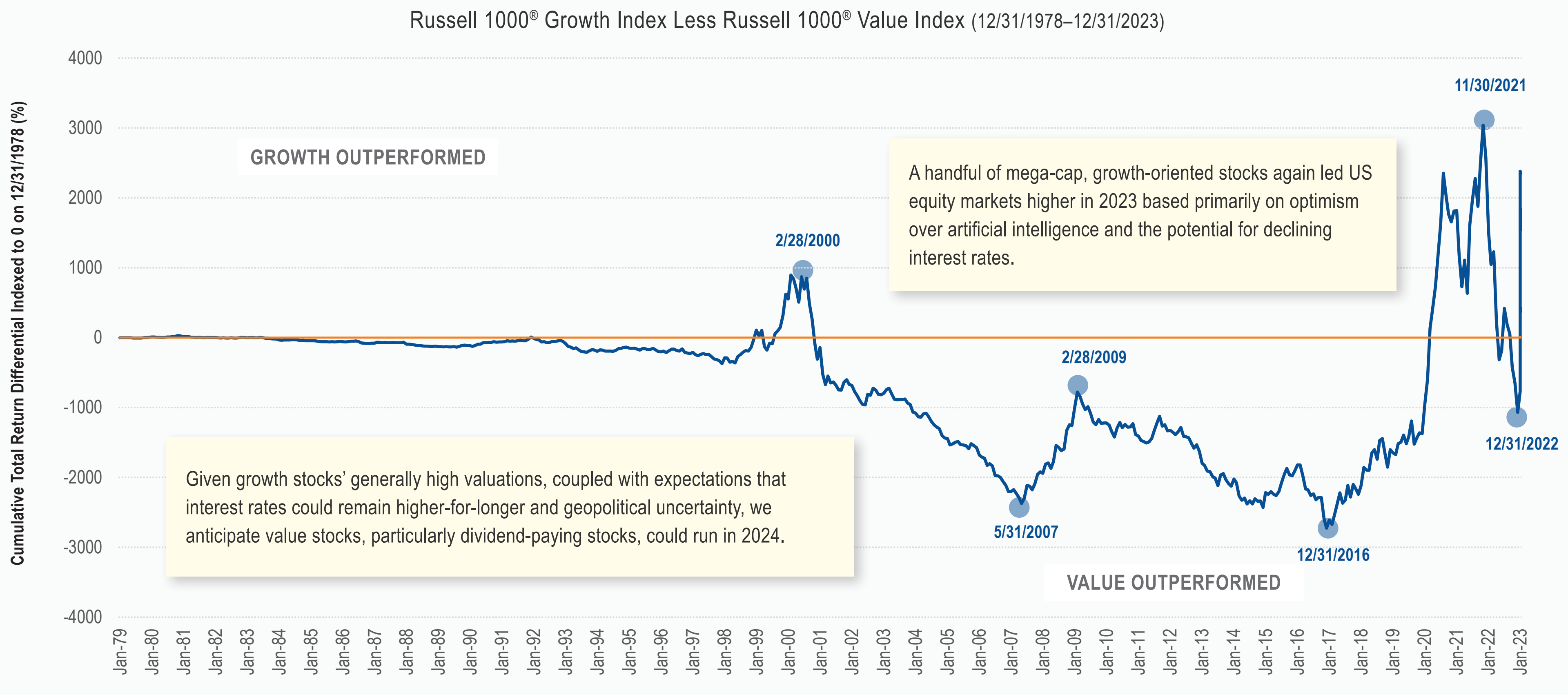
The Value / Growth Cycle

Whether it be an economic cycle, business cycle, or market cycle, all cycles typically go through four phases: rising, peaking, dipping, and bottoming. Investing-related cycles are often longer-term in nature; when one market cycle is finished, the next one begins. Oftentimes, when it seems that the current phase will never end, the cycle can move to the next phase quickly and without warning. The below graph illustrates the cycles of relative performance between large capitalization, US value and growth stocks over the last forty-plus years. Timing the market is exceptionally difficult, if not impossible, and we at AAM believe investors should remain diversified and adjust portfolio allocations modestly when seeking to take advantage of a changing cycle.



Russell 1000® Growth Index Less Russell 1000® Value Index (12/31/1978–12/31/2023)

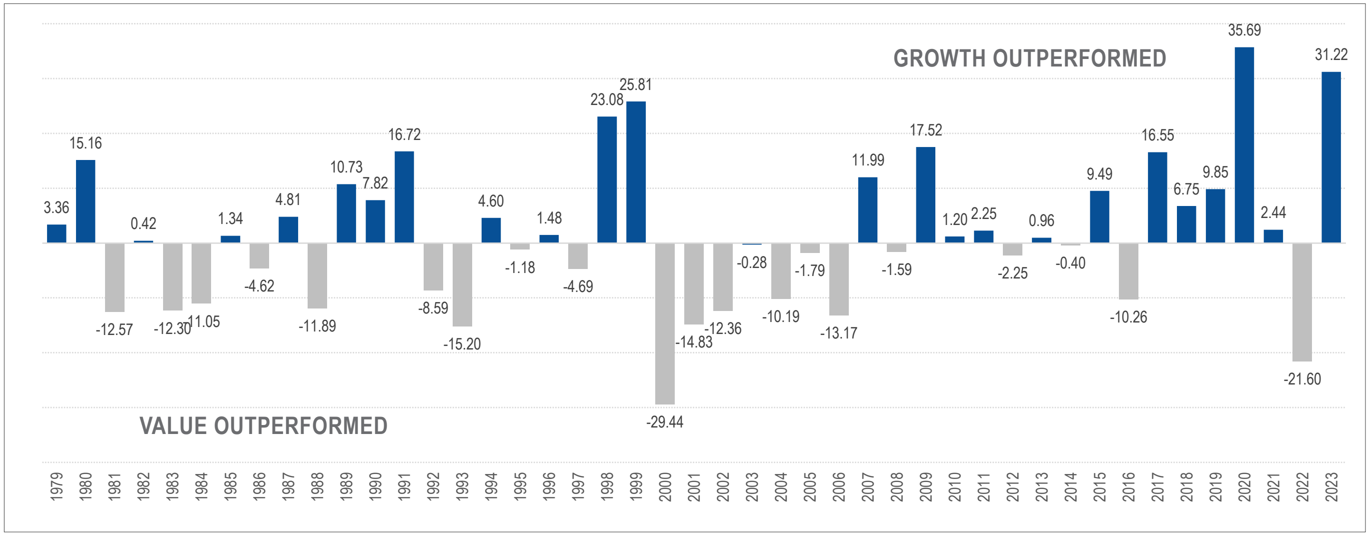
A handful of mega-cap, growth-oriented stocks again led US equity markets higher in 2023 based primarily on optimism over artificial intelligence and the potential for declining interest rates.

Given growth stocks' generally high valuations, coupled with expectations that interest rates could remain higher-for-longer and geopolitical uncertainty, we anticipate value stocks, particularly dividend-paying stocks, could run in 2024.

Data source: Morningstar. **Past performance does not guarantee future results.** Calculation based on monthly index returns. Upward sloping line indicates outperformance by Russell 1000® Growth Index. Downward sloping line indicates outperformance by Russell 1000® Value Index.

It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Returns shown are not indicative of any AAM product. Please see reverse for additional important information.

Russell 1000® Growth Index Less Russell 1000® Value Index (Annual Return Differential 1979–2023)



Data source: Morningstar. **Past performance does not guarantee future results.**

Calendar Year	Russell 1000® Value Index Total Return	Russell 1000® Growth Index Total Return
1979	20.55%	23.90%
1980	24.41	39.57
1981	1.26	-11.31
1982	20.04	20.46
1983	28.29	15.98
1984	10.10	-0.95
1985	31.52	32.85
1986	19.98	15.36
1987	0.50	5.31
1988	23.16	11.27
1989	25.19	35.92
1990	-8.08	-0.26
1991	24.55	41.27
1992	13.58	4.99
1993	18.07	2.87
1994	-1.98	2.62
1995	38.36	37.18
1996	21.64	23.12
1997	35.18	30.49
1998	15.63	38.71
1999	7.35	33.16
2000	7.01	-22.42
2001	-5.59	-20.42
2002	-15.52	-27.88
2003	30.03	29.75
2004	16.49	6.30
2005	7.05	5.26
2006	22.25	9.07
2007	-0.17	11.81
2008	-36.85	-38.44
2009	19.69	37.21
2010	15.51	16.71
2011	0.39	2.64
2012	17.51	15.26
2013	32.53	33.48
2014	13.45	13.05
2015	-3.83	5.67
2016	17.34	7.08
2017	13.66	30.21
2018	-8.27	-1.51
2019	26.54	36.39
2020	2.80	38.49
2021	25.16	27.60
2022	-7.54	-29.14
2023	11.46	42.68

Speak with a financial professional or visit www.aamlive.com to discuss potential opportunities in today's environment.

All investments involve risk; principal loss is possible. An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

The **Russell 1000® Index** represents the 1,000 top companies by market capitalization in the United States. It comprises approximately 92% of the total market capitalization of all listed stocks in the US equity market and is considered a bellwether index for large-cap investing. The **Russell 1000® Value Index** measures the performance of the large cap value segment of the US equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The **Russell 1000® Growth Index** measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Returns shown are not indicative of any AAM product.

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An Often Overlooked Asset Class

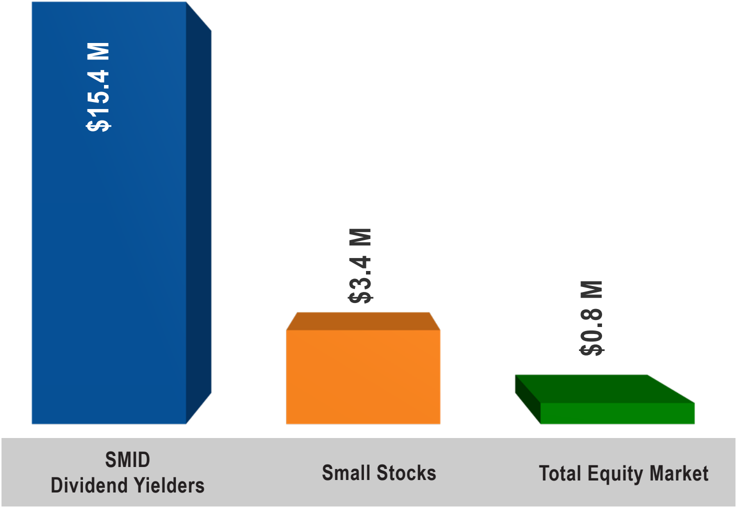
Small / Mid Cap, Dividend-Paying Equities

Small/mid capitalization (SMID) equities are often thought of as a higher risk, more volatile asset class, but one that has the potential to provide robust returns over the long-term. But what about those SMID companies that are profitable and likely to pay dividends? These companies represent a sub-set of the broad SMID market and we believe represent a compelling opportunity that is often overlooked by investors. As illustrated below, since 1927 SMID dividend-paying stocks outperformed both the broad small cap market as well as the total equity market, while producing more favorable risk characteristics than those of solely small cap stocks. Furthermore, profitable companies in the Russell 2500 Index have outperformed unprofitable companies in all but two calendar years since 2005 (see following page).

SMID Dividend-Paying Equities Have...

Outperformed Small Stocks and the Total Equity Market

Hypothetical Growth of $100 (6/30/1927—12/31/2022)



SMID Dividend-Paying Equities Have...

Exhibited Strong Risk-Adjusted Characteristics (6/30/1927—12/31/2022)

Provides potential diversification benefits to a portfolio

	SMID Dividend Yielders	Small Stocks	Total Equity Market
... Higher Total Return than the Broad Small Cap Market and Total Equity Market (6/30/1927—12/31/2022)			
Annualized Total Return	13.3%	11.6%	9.8%
... Lower Beta than Broad Small Stocks with Volatility Closer to the Total Equity Market			
Beta*	1.03	1.34	1.00
Volatility (Standard Deviation)	21.3%	28.7%	18.6%
... Compelling Risk-Adjusted Characteristics			
Sharpe Ratio	0.54	0.40	0.43
Annual Alpha*	3.4%	1.0%	0.0%

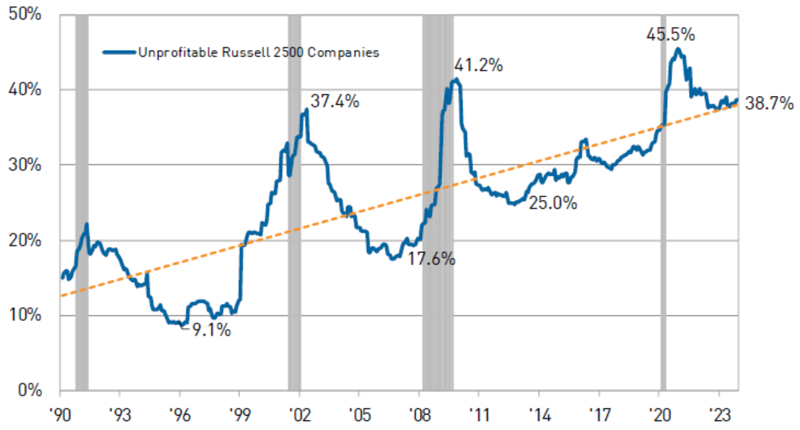
* Calculated vs. the Total Equity Market.
See reverse for definitions and additional important information.

Source: Ken French's Website - http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/index.html; **Past performance does not guarantee future results.**
Total Equity Market is representative of US public equity securities listed on the NYSE, AMEX or NASDAQ exchange; Small Stocks is representative of US public equity securities with a market capitalization in the bottom 30% (excluding REITs) of the NYSE and includes all NYSE, AMEX, and NASDAQ stock that fit the market cap criteria; SMID Dividend Yielders is representative of companies with a dividend yield in the middle 40% of dividend payers with a market capitalization in the bottom 50% of the NYSE (excluding REITs) and includes all NYSE, AMEX, and NASDAQ stocks that meet these criterion, all three indexes are reconstituted annually in June. Monthly returns are calculated on a value-weighted basis. The reinvestment of dividends, interest, capital gains and withholding taxes are all built into the hypothetical analysis. Information sourced from third party. For Illustration purposes only.

All investments involve risk; principal loss is possible. There are no guarantees that a company will pay or continually increase its dividends. SMID companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. Smaller-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes.

The Rise of Unprofitable Index Constituents

Percentage of the Russell 2500® Index That Has Not Earned a Profit



- As of 12/31/23, 38.7% of companies in the Russell 2500® Index were unprofitable versus the long-term average of 25.3% (12/31/1989—12/31/2023).
- Recessions aside, profitless companies in the Index have been trending higher over the last several decades.

Source: All data from Strategas Research, Inc.© Copyright 2024 Strategas Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. All data based upon available company data. Unprofitable is defined as not earning a financial gain after accounting for business expenses over the previous four quarters. Expenses include the explicit costs of doing business, such as operating expenses, depreciation, interest and taxes, according to generally accepting accounting principles (GAAP).

Profitable Companies in the Russell 2500® Index Have Outperformed Unprofitable Companies (Calendar Year Total Return %)

Calendar Year	Profitable Companies	Unprofitable Companies	Russell 2500 Index
2005	10.31%	-5.75%	8.10%
2006	17.17	8.81	16.17
2007	3.91	-15.11	1.39
2008	-32.15	-54.22	-36.79
2009	31.40	40.54	34.40
2010	27.63	21.03	26.71
2011	-0.03	-18.90	-2.51
2012	18.30	15.76	17.88
2013	36.77	36.36	36.80
2014	8.16	1.64	7.08
2015	-0.08	-16.38	-2.90
2016	19.95	7.23	17.57
2017	18.52	8.76	16.82
2018	-9.54	-12.50	-10.00
2019	28.74	24.95	27.77
2020	13.43	35.73	19.99
2021	26.34	14.19	18.18
2022	-11.98	-39.19	-18.37
2023	19.42	10.50	17.42
Cumulative Total Return	635%	100%	481%

Annual total returns, unless otherwise noted. **Past performance does not guarantee future results, all results are hypothetical.** The profitable Russell 2500 consists of only companies with positive earnings over the previous twelve-month period in the Russell 2500. The profitable tranche is rebalanced quarterly based on trailing twelve-month (TTM) earnings in the Russell 2500. The profitable Russell 2500 return figures are calculated as a cap-weighted, float-adjusted index. All results are hypothetical, and the results are not based on an actual portfolio and the interpretation of the results should take into consideration of the limitation inherent in the results of the model.

This often overlooked asset class has the potential to provide investors with the growth attributes of SMID stocks in addition to the potential benefits of dividend income.

All investments involve risk; principal loss is possible. There are no guarantees that a company will pay or continually increase its dividends. SMID companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. Smaller-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes.

Annual Alpha refers to excess returns earned on an investment above the benchmark return over a one-year period. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta of 1 indicates that the security's price moves with the market. A beta of less than 1 means that the security is theoretically less volatile than the market. A beta of greater than 1 indicates that the security's price is theoretically more volatile than the market. **Russell 2500® Index** measures the performance of the small to mid-cap segment of the U.S. equity universe. It includes approximately 2500 of the smallest securities based on a combination of market cap and current index membership. The Russell 2500® Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set. **Sharpe Ratio** is a measure for calculating risk-adjusted returns. The Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. The higher the Sharpe ratio, the better the risk-adjusted performance has been. **Standard deviation** (volatility) is calculated as the square root of variance by determining the variation between each data point relative to the mean.

It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Returns shown are not indicative of any AAM product.

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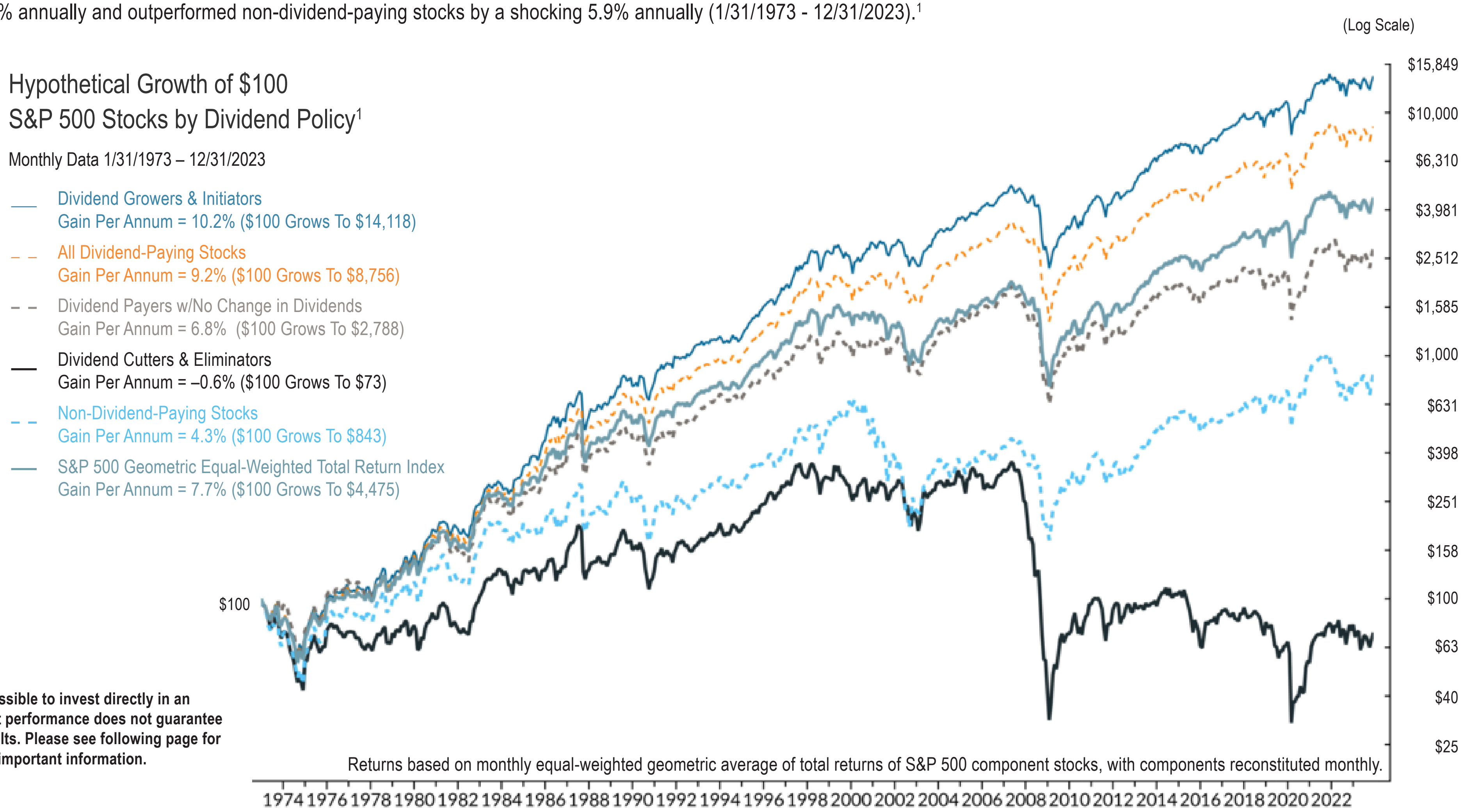
Not All Dividend-Paying Stocks Are Created Equal

Dividends have historically added to total return in robust markets and, more importantly, provided an income cushion against market downturns.

As illustrated in the below chart, companies in the S&P 500 Index with policies of increasing shareholder distributions have outperformed the equal-weight S&P 500 Index by 2.5% annually and outperformed non-dividend-paying stocks by a shocking 5.9% annually (1/31/1973 - 12/31/2023).[1]



Hypothetical Growth of $100

S&P 500 Stocks by Dividend Policy[1]

Monthly Data 1/31/1973 – 12/31/2023

Returns based on monthly equal-weighted geometric average of total returns of S&P 500 component stocks, with components reconstituted monthly.

It is not possible to invest directly in an index. Past performance does not guarantee future results. Please see following page for additional important information.

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S&P 500 Index Price, Income and Total Return (%)

	1930s	1940s	1950s	1960s	1970s	1980s	1990s	2000s	2010s	2020	2021	2022	2023
■ Price Return	-5.3	3.0	13.6	4.4	1.6	12.6	15.3	-2.7	11.2	16.2	26.9	-19.4	24.2
■ Income Return	5.6	6.0	5.6	3.3	4.1	4.8	2.8	1.8	2.2	2.2	1.8	1.3	2.1
■ Total Return	0.3	8.9	19.2	7.7	5.7	17.4	18.1	-1.0	13.4	18.4	28.7	-18.1	26.3

By Decade

By Year

Source "By Decade" and right bullets: Ned Davis Research. Source "By Year": Standard and Poor's. It is not possible to invest directly in an index. Past performance does not guarantee future results. The return of the price index is referred to as capital appreciation. Income return is assumed to be the Index's total return minus its capital appreciation. Total Return = Capital appreciation plus reinvested dividends during the time period.

- Historically, dividends have contributed a substantial portion of total market return. In fact, 39.9% of the S&P 500 Index's total return from 12/31/1929 through 12/31/2023 was from dividends.
- More specifically, the S&P 500 without dividends returned an average 5.9% per year during this period, versus a total average annualized return (including reinvestment of dividends) of 9.8%.

Speak with a financial professional or visit www.aamlive.com to learn more.

Trade-Offs and Risks: Dividend Payment Risk: An issuer of a security may be unwilling or unable to pay income on a security. Common stocks do not assure dividend payments and are paid only when declared by an issuer's board of directors. The amount of any dividend may vary over time. Market volatility. A company's stock price, whether dividend-paying or not, may move up or down depending on various market conditions. Therefore, the initial principal invested may be worth less when an investor decides to sell, depending on the market value of the underlying holding. Loss of income. A company may choose to skip or suspend dividend payments. In this case, shareholders lose the investment income and might also see the value of their shares fall if income-oriented investors sell their holdings. Underperformance. During market rallies, dividend stocks historically lag the broader market, causing investors to accept relatively lower return potential in exchange for less volatility and income. Increase in income tax rates. The current dividend tax rate is subject to legislative changes. Please consult a tax professional regarding the taxation of dividends.

S&P 500 Index: The S&P 500 Index is an unmanaged market capitalization-weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors.

1. Dividend-Paying vs. Non-Dividend-Paying Stocks: Each stock's dividend policy is determined by its indicated annual dividend. Ned Davis Research classifies a stock as a dividend-paying stock if the company indicates that it is going to be paying a dividend within the year. This is determined programmatically using indicated annual dividend data. A stock is classified as a non-payer if the stock's indicated annual dividend is zero. Prior to July 2000, the indicated annual dividends were updated on a quarterly basis. Since July 2000, the indicated annual dividends are updated on a daily basis, so the most up-to-date information is used.

   The index returns are calculated using monthly equal-weighted geometric averages of the total returns of all dividend-paying (or non-paying) stocks. A stock's return is only included during the period it is a component of the S&P 500 Index. The dividend figure used to categorize the stock is the company's indicated annual dividend, which may be different from the actual dividends paid in a particular month.

   Dividend-Growing, No-Change-In-Dividend, and Dividend-Cutting: Dividend Growers and Initiators include stocks that increased their dividend anytime in the last 12 months. Once an increase occurs, it remains classified as a Grower for 12 months or until another change in dividend policy. No-Change stocks are those that maintained their existing indicated annual dividend for the last 12 months (i.e., companies that have a static, non-zero dividend). Dividend Cutters and Eliminators are companies that have lowered or eliminated their dividend anytime in the last 12 months. Once a decrease occurs, it remains classified as a Cutter for 12 months or until another change in dividend policy.

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The Power of Dividend Growth

There are several ways an investor can seek to generate income from their portfolio — fixed income investments and dividend-paying equities being the two primary vehicles. Fixed income investments (i.e.: bonds) typically generate a fixed stream of income over the life of the bond with the principal returned at maturity. Dividend-paying equities may also provide a relatively reliable source of income, with the potential for capital appreciation. Stocks that consistently increase their dividend may offer even greater long-term potential.

- As illustrated in Exhibit 1, shifting focus from the initial absolute yield to dividend growth creates the potential for increasing long-term purchasing power, even in an inflationary environment. While there is no guarantee that a company will grow their dividend, or even pay a consistent one, dividend growth, when achieved, can help an investor maintain purchasing power in an inflationary environment.
- Over time, dividend growth can considerably augment an investor's income stream both on an absolute basis and relative to a fixed yielding investment (see Exhibit 2).
- Dividend growth provides a strong foundation for a stock's total return; Dividend Growers and Initiators in the S&P 500 have, on average, returned +10.2% annually from 1/31/1973–12/31/2023.[1] The more frequently dividends are issued and reinvested, the greater the compounding effect and the higher the annualized rate of return. Remember that dividends are still considered taxable earnings, even when reinvested.
- Dividend payments have favorable tax treatment, currently subject to a federal income tax of 15% for investors in the 25% tax bracket or higher with net long-term capital gains for securities held longer than one year. Consult a tax professional regarding taxation of dividends.

Hypothetical Illustrations:

Exhibit 1: Dividend Growth vs. Absolute Yield

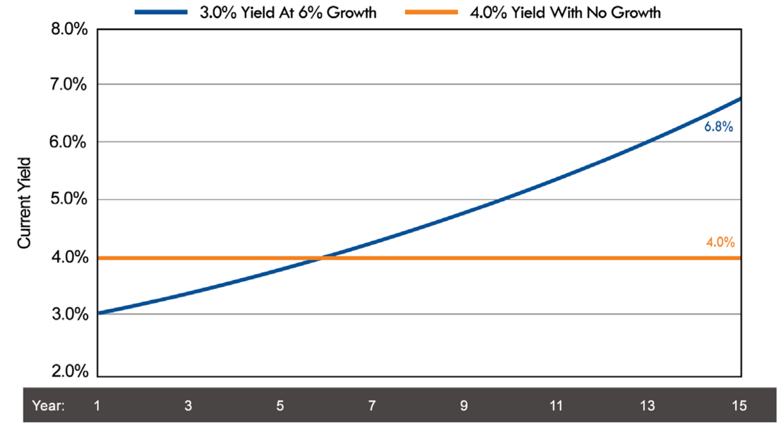

Exhibit 2: Annual Income on $100,000 Investment

	Fixed Yield = 4%	Initial Dividend Yield = 3% Dividend Growth Rates of 5%, 6%, 7% and 8%			
	4%	5%	6%	7%	8%
Year 1	$4,000	$3,000	$3,000	$3,000	$3,000
2	$4,000	$3,150	$3,180	$3,210	$3,240
3	$4,000	$3,308	$3,371	$3,435	$3,499
4	$4,000	$3,473	$3,573	$3,675	$3,779
5	$4,000	$3,647	$3,787	$3,932	$4,081
6	$4,000	$3,829	$4,015	$4,208	$4,408
7	$4,000	$4,020	$4,256	$4,502	$4,761
8	$4,000	$4,221	$4,511	$4,817	$5,141
9	$4,000	$4,432	$4,782	$5,155	$5,553
10	$4,000	$4,654	$5,068	$5,515	$5,997
15	$4,000	$5,940	$6,783	$7,736	$8,812
20	$4,000	$7,581	$9,077	$10,850	$12,947
25	$4,000	$9,675	$12,147	$15,217	$19,024
30	$4,000	$12,348	$16,255	$21,343	$27,952

Figures in Exhibits 1 & 2 illustrate the annual income potential generated by a hypothetical investment and do not reflect the impact any price appreciation or depreciation may have on the total market value of the investment. An investment may be worth more or less than the initial principal investment at sale. Actual dividend growth rates will vary over time and may not always be positive.

Key Takeaway:

Dividend-growing equities have the potential to augment your income, grow your purchasing power and act as a cushion in difficult markets.

To discuss how dividend growth stocks may fit into your portfolio, please contact a financial professional or visit www.aamlive.com.

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1. Source: Ned Davis Research. Dividend Growers and Initiators include stocks in the S&P 500 Index that increased their dividend anytime in the last 12 months. Once an increase occurs, it remains classified as a Grower for 12 months or until another change in dividend policy. The S&P 500 Index is an unmanaged market capitalization-weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors.

Hypothetical income figures are not indicative of future results; actual income may be lower or higher than the annual dividend income shown. Past performance does not guarantee future performance.

Dividend Payment Risk: An issuer of a security may be unwilling or unable to pay income on a security. Common stocks do not assure dividend payments and are paid only when declared by an issuer's board of directors. The amount of any dividend may vary over time. A company may choose to skip or suspend dividend payments. In this case, shareholders lose the investment income and might also see the value of their shares fall if income-oriented investors sell their holdings.

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Power of Compounding with Dividend-Growing Equities

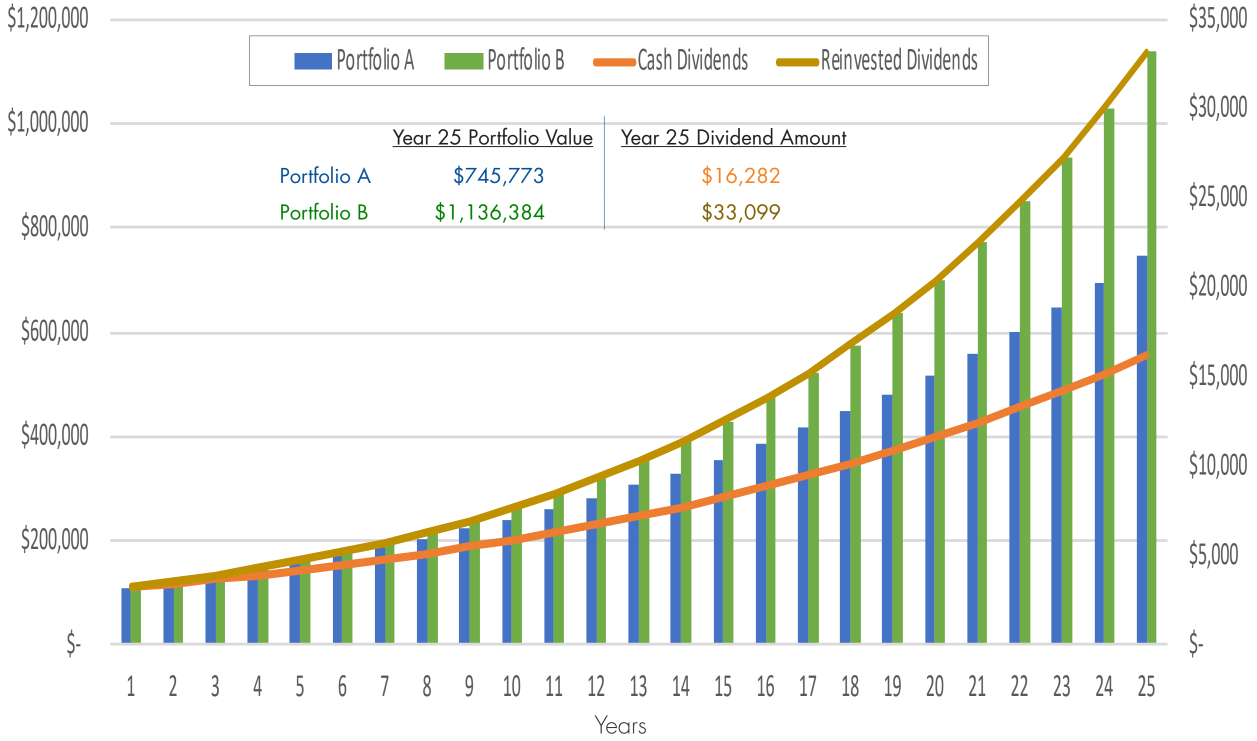
Few people would argue that when you have time on your side, the power of compounding is able to work its magic. Harness this power in dividend-paying equities that exhibit steady dividend growth and the effects can potentially be even more pronounced. Consider an example with the the assumptions listed in Table 1 for $100,000 invested for 25 years with an annual investment return of 7%, an annual 3% dividend payout, along with a steady moderate dividend growth rate of 7%. Let's assume Portfolio A withdraws the dividends in cash, while Portfolio B reinvests the dividends.

The results are illustrated in Exhibit 1 and show that in 25 years, the account value of Portfolio B has increased at an *accelerated rate* due to the effects of compounding on reinvested dividends. While there is no guarantee that a company will grow its dividend, or even pay a consistent one, steady dividend growth, when achieved, can help an investor to potentially increase their purchasing power over time.

Table1: Assumptions

Initial Investment	$100k
Years Invested	25
Annual Investment Return	7%
Annual Dividend Payout	3%
Dividend Growth Rate	7%

Exhibit 1: Hypothetical Illustration: Reinvesting Dividends v. Withdrawing Dividends



	Year 25 Portfolio Value	Year 25 Dividend Amount
Portfolio A	$745,773	$16,282
Portfolio B	$1,136,384	$33,099

Figures in Table 1 and Exhibit 1 are hypothetical and illustrate the annual income potential generated by a hypothetical investment and does not take into account any fees. An investment may be worth more or less than the initial principal investment at sale. Actual dividend growth rates will vary over time and may not always be positive.

Why Steady Dividend Growth?

A consistent dividend distribution tends to be a positive sign of a company's health. Moreover, consistent increases in the amount of the dividend distribution is an indication of the growth potential of future dividend distribution amounts - since companies increase dividends only when it believes it can sustain the amount in the future. Exhibit 2 shows a 3% dividend payout at various growth rates. You can see that over time reinvesting the consistent increases in annual dividend payouts can leverage compounding to potentially accelerate the growth of a portfolio. Remember that dividends are still considered taxable earnings, even when reinvested. Consult a tax professional regarding taxation of dividends.

Exhibit 2: Hypothetical Illustration: Annual Dividends on $100,000 at Various Dividend Growth Rates (%)

Year	0%	6%	7%	8%
1	$3,000	$3,000	$3,000	$3,000
2	$3,000	$3,180	$3,210	$3,240
3	$3,000	$3,371	$3,435	$3,499
4	$3,000	$3,573	$3,675	$3,779
5	$3,000	$3,787	$3,932	$4,081
10	$3,000	$5,068	$5,515	$5,997
15	$3,000	$6,783	$7,736	$8,812
20	$3,000	$9,077	$10,850	$12,947
25	$3,000	$12,147	$15,217	$19,024

Figures in Exhibit 2 are hypthetical and illustrate the annual income potential generated by a hypothetical investment and do not reflect the impact any price appreciation or depreciation may have on the total market value of the investment. An investment may be worth more or less than the initial principal investment at sale. Actual dividend growth rates will vary over time and may not always be positive.

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Why Buy into Share Buybacks?

A share buyback, also known as a share repurchase, is a corporate action whereby a company goes into the open market and purchases its own outstanding shares. While the mechanics of a stock buyback are relatively simple, the reasons for why a company would choose to conduct a buyback are many. For example, a repurchase announcement could signal a company's confidence in its future. If the company feels its stock is undervalued at the current price, shares could presumably be bought at a discount. For the company and its shareholders, buybacks reduce the total number of shares outstanding, thereby increasing the likelihood that future earnings-per-share (EPS) could be higher, which could translate into a more valuable company (i.e. higher stock price). Lastly, buy backs are a more flexible way to return cash to shareholders than an increase in a dividend, since companies generally do not like to cut dividends, and buyback programs can be halted relatively easily.

Please keep in mind that while share buyback programs are often a positive for shareholders, there can also be drawbacks including overpaying for shares if the intrinsic value is, in fact, not higher than the current share price; buybacks reduce cash on balance sheets; buybacks can be funded with debt, which may or may not be in the best interests of the company over the long-term; and buybacks utilize capital that could be reinvested into the business.

As illustrated in the graph to the right, the quintile of stocks with the highest net repurchase yields (the repurchase of outstanding shares divided by the existing market cap of a company) in the S&P 500 were the top performers, gaining 14.2% annually versus 9.5% for the lowest quintile (2/28/1985-10/31/2023). The top quintile has, in fact, outperformed for the trailing one, three, five and 10 years ending 10/31/23.

Returns of S&P 500 Stocks by Net Repurchase Yield[1]

Monthly data. Equity Lines are Equal-Weighted and Rebalanced Quarterly.

2/28/1985 – 10/31/2023

— Quintile 5 (Highest)
Gain Per Annum = 14.2% (100 Grows To 17,159)

— Quintile 4
Gain Per Annum = 11.5% (100 Grows To 6,739)

— Quintile 2
Gain Per Annum = 10.4% (100 Grows To 4,629)

— Zeroes
Gain Per Annum = 10.0% (100 Grows To 3,985)

— Quintile 1 (Lowest)
Gain Per Annum = 9.5% (100 Grows To 3,329)

[1] Split into five equal quintiles. All indices are allocated to start at 100.

Source: S&P Capital IQ Compustat

Bottom Line

- Stock buybacks for S&P 500 companies have increased significantly including a record in 2022 of $923 billion according to Ned Davis Research. In fact, large US companies have spent over $3.9 trillion in the last five years on stock repurchases, according to S&P 500 Dow Jones Indices.*
- Companies in the S&P 500 with the highest net repurchase yields were the top performers over the long-term.
- With a standard deviation (volatility of returns) similar across all quintiles, those companies with the highest net purchase yields also had the highest risk-adjusted performance, as measured by the Sharpe Ratio.
- Strategies focused on companies that have conducted buybacks can complement your dividend-oriented allocations and provide another powerful source of potential shareholder return.

S&P 500 STOCKS BY NET REPURCHASE YIELD (2/28/1985 to 10/31/2023)

	Gain Per Annum (%)	Sharpe Ratio	Standard Deviation
Quintile 5 (Highest)	14.22	0.62	17.70
Quintile 4	11.50	0.52	16.13
Quintile 2	10.42	0.42	17.25
Zeroes	9.99	0.39	17.62
Quintile 1 (Lowest)	9.48	0.31	20.28

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* Source: https://www.kiplinger.com/investing/stocks/what-is-a-stock-buyback, July 23, 2023.

All investments involve risk; principal loss is possible. An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

DEFINITIONS: Earnings-per-share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability. **S&P 500 Index** is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors. **Sharpe Ratio** is a measure for calculating risk-adjusted returns. The Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. The higher the Sharpe ratio, the better the risk-adjusted performance. **Standard deviation** measures the volatility of an investment's returns. Higher deviation represents higher volatility.

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An Introduction to REITs

From an investment perspective, REITs may be an important allocation in a diversified portfolio seeking to generate income, reduce risk and enhance return.

WHAT IS A REIT?

In short, a REIT or real estate investment trust is a company that owns, operates and/or finances commercial real estate.

REITs invest in offices, apartment buildings, warehouses, retail centers, medical facilities, data centers, cell towers, infrastructure and hotels to name a few. Most REITs focus on a particular property type, but some hold multiples types of properties in their portfolios.

CHARACTERISTICS OF A REIT

To qualify as a REIT, a minimum 90% of the company's taxable income must be distributed to investors annually, which is a major reason REITs tend to be high-yielding investments.

REITs typically seek to own and operate real estate that will provide a predictable and recurring stream of revenue.

Most REITs are traded on major stock exchanges allowing investors to buy or sell intraday. There are also public non-listed and private REITs, both of which have additional risks.

REITs are professionally managed. However, REITs are particularly vulnerable to the risks of the real estate industry including declines in real estate values, changes in interest rates, economic downturns, overbuilding and changes in zoning laws and government regulations.

REITs BY THE NUMBERS

Since their creation by Congress in 1960, REITs have grown in size, impact and market acceptance.

$1.3 trillion[1]
Total market capitalization of all listed US REITs as of 12/31/23

64%[1]
Percentage of top 25 largest US and global institutional investors that use REITs in their portfolios

28+ REITs[1]
In the S&P 500 Index as of 12/31/23

136 REITs[2]
In the S&P US REIT Index as of 12/31/23

$92.3 Billion[1]
Dividend Income Distibuted in 2021 by REITs

3.99%
Indicated Dividend Yield[2]
S&P US REIT Index
As of 12/31/23

7.50%
Annualized Total Return[2]
S&P US REIT Index
Ten Years Ending 12/31/23

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[1] Source: www.REIT.com

[2] Source: S&P Dow Jones. Past performance does not guarantee future results. It is not possible to invest directly in an index.

WHY REITs?

DIVERSIFICATION:

An allocation to REITs in a diversified portfolio potentially reduces risk and enhances return since REITs have not been highly correlated to many other asset classes. Diversification within a REIT allocation is also due to the ability to access dozens or even hundreds of properties spanning various regions and property types.

Correlations for Five Years Ending 12/31/2023	S&P US REIT Index versus
REITs	1.00
US Equities	0.86
Bonds	0.54
Commodities	0.47
Natural Resources	0.64
Infrastructure	0.74
Master Limited Partnerships (MLPs)	0.59
TIPS (inflation)	0.65

Source: Morningstar, Inc. Correlation is a statistical measure of how two variables move in relation to each other with coefficients ranging from +1 to -1. A correlation coefficient of +1 implies that as one variable moves, the other will move in exact lockstep. Alternatively, a correlation coefficient of -1 implies that if one variable moves, the other moves in the same amount in the opposite direction. If the correlation is 0, the movements of the variables are completely random. Asset class representation: REITs: S&P US REIT Index; US Equities: S&P 500 Index; Bonds: Bloomberg US Aggregate Bond Index; Commodities: Bloomberg Commodity Index; Natural Resources: S&P North American Natural Resources Index; Infrastructure: MSCI USA Infrastructure; MLPs: Alerian MLP; TIPS: Bloomberg US Treasury US TIPS.

INCOME:

REITs have historically produced a steady stream of income through a variety of market conditions, helping investors meet their cash flow needs. REIT dividends are characteristically large because these companies are required to distribute at least 90% of their taxable income to shareholders annually.

POTENTIAL HEDGE AGAINST INFLATION:

Rental and lease contracts typically include provisions for rent escalation, which passes increasing costs due to inflation to the tenant. This helps preserve real rates of return for the owner. Values have also tended to rise as investors often shift into “real” assets during inflationary periods.

TAX-EFFICIENT:

Income is generally not taxed at the corporate level, creating greater potential for distributions to shareholders.

LIQUIDITY AND DAILY PRICING:

Unlike direct property ownership, listed REITs are relatively liquid investments that trade on stock exchanges, allowing investors to obtain real-time, market-based pricing information.

All investments involve risk; principal loss is possible. Past performance does not guarantee future results. Diversification does not assure a profit or protect against loss. Investments in Real Estate Investment Trust (REIT) securities are subject to risks. REITs are particularly vulnerable to the risks of the real estate industry including declines in real estate values, changes in interest rates, economic downturns, overbuilding and changes in zoning laws and government regulations.

The **S&P US REIT Index** is a free-float adjusted, market capitalization-weighted index that defines and measures the investable universe of publicly-traded real estate investment trusts domiciled in the United States. The S&P 500 Index is an unmanaged capitalization-weighted index (weighted by the market value of the companies) of 500 stocks listed on various exchanges. **Bloomberg US Aggregate Bond Index** is an unmanaged, broad based index composed of US dollar denominated, investment grade, fixed-rate taxable bonds with at least $250 million par amount outstanding and at least one year to final maturity. The **S&P North American Natural Resources Index** provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS® energy and materials sector excluding the chemicals industry; and steel sub-industry. The **MSCI USA Infrastructure Index** captures the opportunity set of US companies that are owners or operators of infrastructure assets. Constituents are selected from the equity universe of the MSCI USA Index, the parent index, which covers large and mid cap securities in the US. All index constituents are categorized in one of thirteen sub-industries according to the GICS®, which MSCI aggregates and groups into five infrastructure sectors: Telecommunications, Utilities, Energy, Transportation and Social. **Alerian MLP Index** is a float-adjusted, capitalization-weighted index comprised of the 50 most prominent MLPs. The **Bloomberg Commodity Index** tracks prices of futures contracts on physical commodities on the commodity markets. The weightings for each commodity included are calculated in accordance with rules that ensure that the relative proportion of each of the underlying individual commodities reflects its global economic significance and market liquidity. Annual rebalancing and reweighting ensure that diversity is maintained over time. **Bloomberg US Treasury Inflation Protected Securities (TIPS) Index** includes all publicly issued, US Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have $250 million or more of outstanding face value. It is not possible to invest directly in an index.

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ADVISORS ASSET MANAGEMENT

Understanding Commodities

Commodities are, in short, raw materials that can be bought and sold; they are the building blocks of production. Commodities are typically grouped into four distinct categories:

- Metals such as gold, silver, copper;
- Energy such as crude oil and natural gas;
- Livestock/meat including pork and cattle; and
- Agricultural such as wheat, corn, and coffee

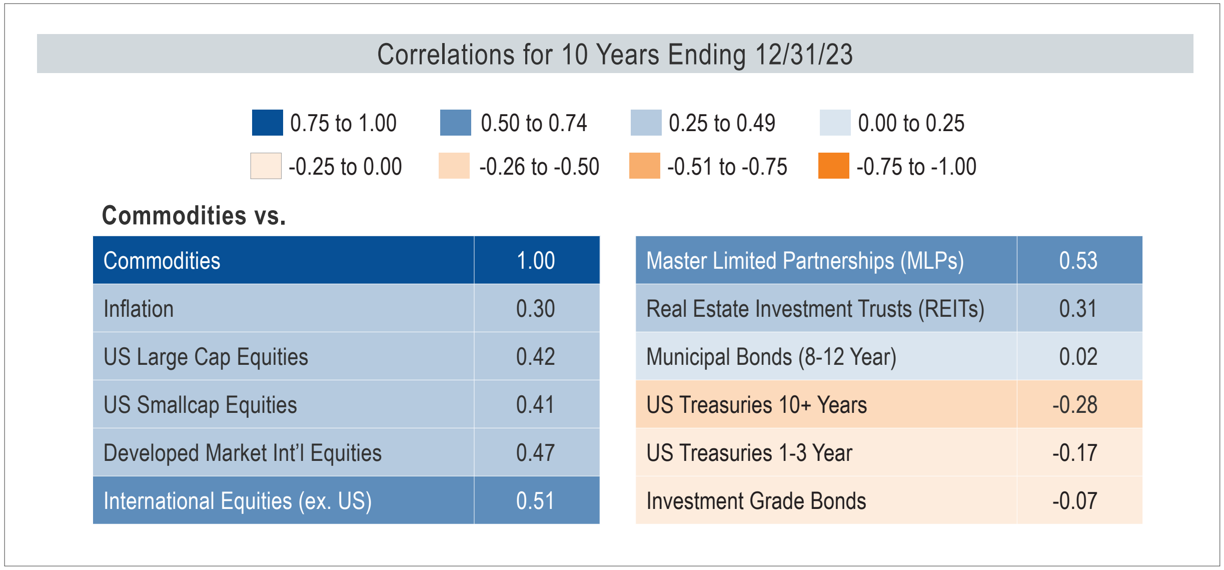
There are “soft” commodities and “hard” commodities. Soft commodities are generally those that are grown and include orange juice, sugar, canola, lumber, and cattle, to name a few. Hard commodities are those that are available-for-extraction and generally include mined metals, crude oil and natural gas. Historically, commodities were often used by producers as a hedge against price fluctuations or as a store of value, however, over time and with the evolution of the financial markets, commodity-focused investments are now available to a large swath of investors seeking to benefit from their distinct characteristics.

WHY INVEST IN COMMODITIES?

POTENTIAL TO REDUCE PORTFOLIO VOLATILITY

Since commodities are not highly correlated to many other asset classes, an allocation could help reduce a portfolio’s risk profile. Commodities often zig when others zag, indicating they have the potential to do well when more traditional stock and bond investments decline. This could, in turn, help mitigate losses and add a level of stability to a diversified portfolio.

In addition, diversification within a commodity allocation is also possible with multiple types of commodities available for investment – from lumber to gold to orange juice. Keep in mind, however, that diversification alone does not ensure a profit or guarantee against loss.



Correlations for 10 Years Ending 12/31/23

■ 0.75 to 1.00 ■ 0.50 to 0.74 ■ 0.25 to 0.49 ■ 0.00 to 0.25
□ -0.25 to 0.00 □ -0.26 to -0.50 □ -0.51 to -0.75 □ -0.75 to -1.00

Commodities vs.

Commodities	1.00	Master Limited Partnerships (MLPs)	0.53
Inflation	0.30	Real Estate Investment Trusts (REITs)	0.31
US Large Cap Equities	0.42	Municipal Bonds (8-12 Year)	0.02
US Smallcap Equities	0.41	US Treasuries 10+ Years	-0.28
Developed Market Int’l Equities	0.47	US Treasuries 1-3 Year	-0.17
International Equities (ex. US)	0.51	Investment Grade Bonds	-0.07

Source: MorningstarDirect. **Past performance does not guarantee future results.** Commodities represented by the Bloomberg Commodity Index; US Large Cap Equities represented by the S&P 500 Index; US Small Cap Equities represented by the Russell 2000 Index; REITs represented by the S&P US REIT Index; Developed Market International Equities represented by the MSCI EAFE Index; International Equities (ex US) represented by the MSCI ACWI ex. US Index; MLPs represented by the Alerian MLP Index; US High Yield represented by the Bloomberg US Corporate High Yield Index; Municipal Bonds (8-12) Year represented by the Bloomberg Municipal 10 Yr 8-12 Index; US Treasuries 1-3 Years represented by the Bloomberg US Treasury 1-3 Year Index; Investment Grade Bonds represented by the Bloomberg US Aggregate Bond Index; Inflation represented by the Consumer Price Index All Urban. It is not possible to invest directly in an index. An index does not include cash. Returns are not indicative of the performance of any AAM product. Please see reverse for index definitions and additional important information.

Correlation is a statistical measure of how two variables move in relation to each other with coefficients ranging from +1 to -1. A correlation coefficient of +1 implies that as one variable moves, the other will move in exact lockstep. Alternatively, a correlation coefficient of -1 implies that if one variable moves, the other moves in the same amount in the opposite direction. If the correlation is 0, the movements of the variables are completely random. For this discussion, a correlation greather than . 75 or 75% is considered a high correlation.

OFTEN ACTS AS A HEDGE AGAINST INFLATION

Commodities tend to perform well during periods of high and/or rising inflation. Oftentimes during inflationary periods, the value of fiat currencies, stocks and bonds erodes and investors shift focus to tangible assets including gold, silver and real estate seeking to preserve their wealth.

POTENTIAL FOR STRONG TOTAL RETURN

Commodities are tangible goods with finite supplies, indicating that their prices can be influenced by supply/demand dynamics; investors aim to capitalize on any imbalances.

For example, expanding economies or technological advances can increase demand, while supply disruptions –such as those experienced coming out of the pandemic lockdowns, or those due to natural disasters or geopolitical conflicts– can decrease supply, both of which have the potential to benefit commodity prices. Of course, the opposite is also true and prices generally decline when there is overcapacity or a drop in demand for any reason.

EXPOSURE TO RENEWABLES AND THE ENERGY TRANSITION

Metals are essential to building renewable energy infrastructure such as solar panels and wind turbines. Electric vehicle batteries are made with lithium and nickel. Sustainable agriculture and clean water initiatives also utilize commodities. In short, commodities are integral to building the infrastructure and technologies needed for a more sustainable and climate-friendly future. As adoption grows, so could demand, likely boosting many commodity prices.

KEY TAKEAWAY: An allocation to commodities has the potential to increase diversification, lower volatility and possibly increase overall return. Investors no longer confront the liquidity and resource constraints typically associated with holding physical commodities, but can access the distinct characteristics of this asset class in more liquid formats including, but not limited to individual securities, unit investment trusts (UITs), mutual funds and exchange-traded funds (ETFs).

RISKS: **All investments involve risk; principal loss is possible. Past performance does not guarantee future results.** Each asset class possesses its own set of potential benefits and risks including dramatically different structures, payouts, and returns. Commodity prices can be extremely volatile and the commodities industry can be significantly affected by world events, import controls, worldwide competition, government regulations, and economic conditions. Commodity investments often also carry foreign and emerging markets risk including volatility caused by political, economic, and currency instability. Commodity investments are generally considered non-diversified or concentrated as they are generally focused in 1 or 2 industries. An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. Fixed income securities are subject to certain risks including, but not limited to: interest rate risk (changes in interest rates may cause a decline in the market value of an investment); credit risk (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment risk (debt issuers may repay or refinance their loans or obligations earlier than anticipated). Market risk, or systematic risk, is the risk that results from the characteristic behavior of an entire market or asset class. The prices of international securities may be more volatile than the securities of US issuers because of economic conditions abroad, political developments, and changes in the regulatory environment of foreign countries; these risks are more pronounced for investments in issuers in developing or emerging market countries. Investments in small- and mid-cap companies involve greater risks including increased price volatility compared to the market or larger companies. Diversification does not ensure a profit or guarantee against loss.

DEFINITIONS: **Alerian MLP Index** is a float-adjusted, capitalization-weighted index comprised of the 50 most prominent MLPs. The **Bloomberg Commodity Index** tracks prices of futures contracts on physical commodities on the commodity markets. The weightings for each commodity included are calculated in accordance with rules that ensure that the relative proportion of each of the underlying individual commodities reflects its global economic significance and market liquidity. Annual rebalancing and reweighting ensure that diversity is maintained over time. **Bloomberg 10-Year Municipal Bond Index** is the 10-Year (8-12) component of the Municipal Bond Index. It is a rules-based, market-value-weighted index engineered for the tax-exempt bond market. Bloomberg US Aggregate Bond Index is an unmanaged, broad based index composed of US dollar denominated, investment grade, fixed-rate taxable bonds with at least $250 million par amount outstanding and at least one year to final maturity. **Bloomberg US Corporate High Yield Index** that consists of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt. The **Bloomberg US Treasury 1-3 Year Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with 1-2.999 years to maturity. Treasury bills are excluded by the maturity constraint. The **Consumer Price Index (CPI)** is released by the Bureau of Labor Statistics as a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The **MSCI ACWI (all country world index) ex-US** is designed to capture large and mid cap representation across 22 of 23 developed market countries (excluding the US) and 27 emerging market countries and covers approximately 85% of the global equity opportunity set outside the US. **MSCI EAFE** (Europe, Australasia, Far East) Index GR USD, which is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the US & Canada. The **Russell 2000 Index** is an unmanaged, capitalization weighted index comprised of the 2,000 smallest companies in the Russell 3000 Index. It serves as a benchmark for US small cap stocks. The Russell 3000 Index measures the performance of the largest 3,000 US companies and represents approximately 96% of the investable US equity market. The S&P US REIT Index is a free-float adjusted, market capitalization-weighted index that defines and measures the investable universe of publicly-traded real estate investment trusts domiciled in the United States. The **S&P 500 Index** is an unmanaged capitalization-weighted index (weighted by the market value of the companies) of 500 stocks listed on various exchanges. It is not possible to invest directly in an index.

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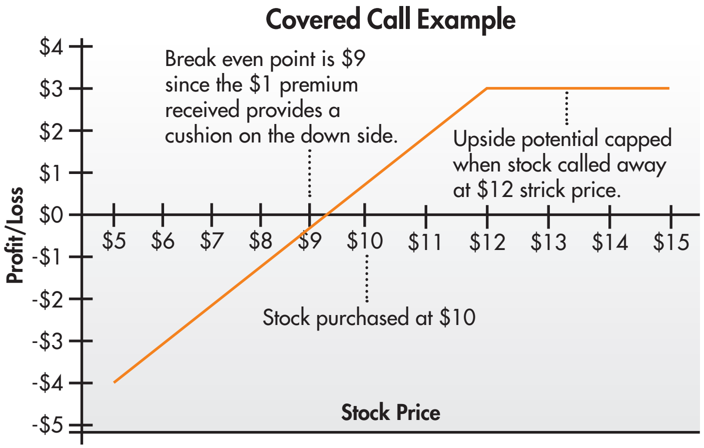
What are Covered Calls?

Covered Calls employ an options strategy whereby the writer (seller) purchases shares of common stock and then writes a call option against those shares. The buyer of the call option pays a premium for the right to buy a certain number of shares at a predetermined price. Although they can be utilized in various market environments, covered calls can be used when the investor, while bullish on the underlying stock, feels that its market value will remain within a limited range over the lifetime of the call contract. The investor seeks to generate additional income (through call premiums) from shares of the underlying stock, and/or provide a limited amount of protection against a decline in the value of the underlying stock.



A covered call strategy is one of the more basic and widely used options strategies. Additionally, it is considered one of the more simple option positions because the strategy lowers downside risk should the stock price decline while limiting profit participation should the stock price rise. The strategy generates income because the writer keeps the premium. Covered call strategies can be found in various types of investments, such as unit investment trusts (UITs).

A general rule of thumb is to always consider the worst-case scenario of an investment before you invest, especially with regard to options. With covered calls, there are two possible negative outcomes.

First, the price of the stock declines whereby the writer of the call experiences the loss of still having ownership of the stock. For example, the writer of a covered call purchased stock ABC at $10 per share and sold a Jun 12 call for $1. If the price of the stock dropped to $6 per share and the call expires, the writer of the call would experience a loss of $3 per share (because writer received $1 per share for the call contract).

Second, the price of the stock rises substantially, forcing the writer to sell the stock at the call price and forgo the additional profit generated by the increased market price. Looking at the previous example, suppose that a large corporation bought ABC firm and the price of the stock doubled to $20 per share. In this scenario, the writer of the covered call would experience a gain of only $3 per share ($13-$10). If the covered call had not been written, the owner would have had a profit of $10.

Features of UITs with Covered Calls

Known Portfolio

Because of the portfolio's structure, you will always know what you own since the portfolio remains fixed over its life.

Convenience

With one low minimum purchase, investors can own a portfolio pursuing a covered call option writing strategy without making a substantial commitment of time or capital.

Distributions

Dividend income is expected to be paid quarterly with periodic repayment of principal.

Trustee Services

Custody and safekeeping of securities, collection and distribution of bond interest income and stock dividends, recordkeeping, administration, and annual tax reporting are provided by the Trustee, The Bank of New York.

Liquidity

You may redeem all or a portion of your units on any business day. Investment return and principal value will fluctuate with changes in market conditions. Units, when redeemed, may be worth more or less than their original purchase price, depending on the value of the underlying securities at that time.

Please see reverse for additional important information.

We view today’s environment of expected low returns and high market volatility as constructive for incorporating a covered call strategy in your portfolio, since the benefit of premium income has the potetial to outweigh the cost of capped or limited upside.*

To discuss how a covered call strategy may fit into your portfolio, please contact a financial professional or visit www.aamlive.com.

Unit Investment Trusts (UITs) are sold only by prospectus. You should consider the trust’s investment objectives, risks, charges and expenses carefully before investing. Contact your financial professional or visit Advisors Asset Management online at www.aamlive/uit.com to request a prospectus, which contains this and other information about the trust. Read it carefully before you invest or send any money. The risks associated with covered call option strategies include the ability of managers of the underlying funds to predict market movements, the adverse effects of less liquid or smaller markets, effects of legislative or litigation initiatives as well as limitations and various risks of options writing.

Covered Call: The strategy followed by the trust is a covered call option writing strategy. A writer (seller) of a covered call sells call options against a security currently held by the writer. The writer of a call option receives a cash premium for selling the call option but is obligated to sell the security at the strike price if the option is exercised.

*Risks associated with these strategies include the ability of the underlying fund managers to predict pertinent market movements, an increase in rates, a change in the actual or perceived volatility of the stock market and/or the common stocks subject to the option, a change in the dividend rate of the stuck subject to the option, the remaining time to expiration, the adverse effects on the value of the options if the market becomes smaller or less liquid, or if the issuers or industries represented are the subject of legislative initiatives or litigation, and the limitations and various risks of options writing. The call writing portion of the investment strategy of a closed-end fund may not be successful in that a fund may not realize the full appreciation of stocks on which the fund has written call options. Additionally, the use of options may require a fund in the portfolio to sell securities at inopportune times or for prices other than current market values or, may cause the fund to hold a security that it might otherwise sell.

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Uncover the Opportunity in Equal-Weight Investing

Many of the major US equity indexes—including the bellwether S&P 500, Russell 3000® and the NASDAQ-100—are capitalization-weighted, meaning those companies with the largest market capitalization (number of shares outstanding multiplied by the stock price) are allocated the largest weights in the index. In contrast, equal-weighted indexes (EWI) allocate the same percentage to all constituents, as of a specific date, regardless of each company's market capitalization.

On the heels of the strong results generated by a handful of the mega-cap technology stocks in 2023, many market-cap weighted indexes now have a significant concentration in a very small number of stocks. For example, as of December 31, 2023, seven stocks accounted for approximately 29% of the S&P 500 Index, an all time high that exceeds even the level seen in the late 1990's dot-com era. This extreme concentration can lead to a distorted view of equity market performance as significant price movements in the largest stocks (higher or lower) dramatically impacts the overall index return, and can obscure the results of many smaller companies.

As shown below, over the last three and five years small and mid cap EWI have outperformed their market-cap weighted counterparts, and the large cap EWI has outperformed over the trailing 15 years. Looking ahead, we believe there is attractive opportunity for equal-weight investments—including those more focused on growth-at-a-reasonable-price, value and/or income-generating equities—to outperform as markets eventually revert to long-term historical trends.

Annualized Total Returns for Periods Ending December 31, 2023 (%)

Index	2023	3-Years	5-Years	10-Years	15-Years
S&P 500 (Large Cap)	26.29	10.00	15.69	12.03	13.97
S&P 500 EWI	13.87	9.34	13.77	10.40	14.56
S&P MidCap 400	16.44	8.09	12.62	9.27	13.33
S&P MidCap 400 EWI	17.72	9.83	13.59	9.27	—
S&P SmallCap 600	16.05	7.28	11.03	8.66	12.74
S&P SmallCap 600 EWI	13.20	7.91	11.77	8.14	—

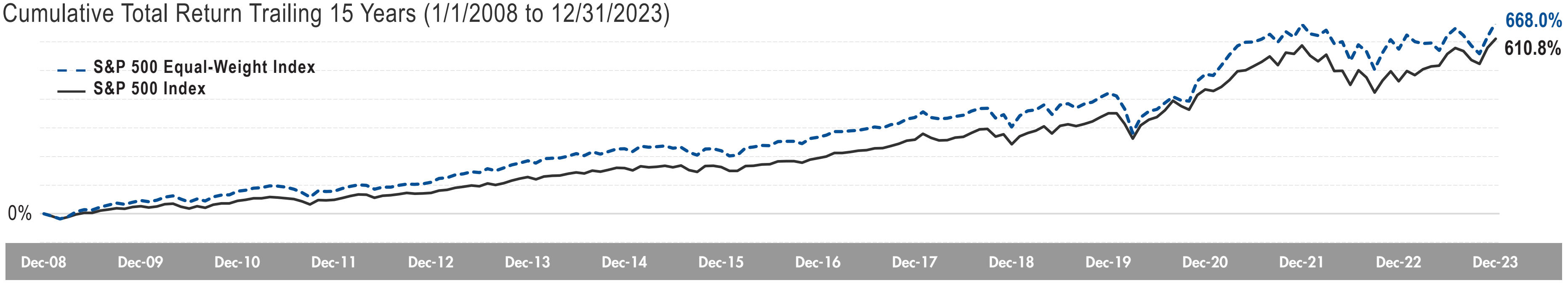
Source: MorningstarDirect. **Past performance does not guarantee future results.** It is not possible to invest directly in an index. An index does not include cash or the deduction of fees or expenses. Returns are not indicative of the performance of any AAM product. The S&P 400 MidCap 400 EWI and S&P SmallCap 600 EWI were launched August 2010; returns for the trailing 15 years are not available.

We at Advisors Asset Management see a number of potential benefits to investing on an equal-weight basis:

- Increase diversification by reducing concentration in the largest capitalization names.
- Avoid large weightings in potentially overvalued securities, as higher stock prices by nature increase market capitalization.
- Increase exposure to possibly undervalued securities that may have greater upside potential.
- Potentially generate higher returns given broader participation by certain individual securities.

All investing involves risk and principal loss is possible. Any investment should be made with an understanding of the various risks associated with that invesment. Neither equal-weighting nor diversification assures a profit or protects against loss. See following page for index definitions and additional important information.

Cumulative Total Return Trailing 15 Years (1/1/2008 to 12/31/2023)



Calendar Year Total Returns 2008 to 2023 (%)

Index	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
S&P 500 (Large Cap)	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29
S&P 500 EWI	-39.72	46.31	21.91	-0.11	17.65	36.16	14.49	-2.20	14.80	18.90	-7.64	29.24	12.83	29.63	-11.45	13.87
S&P MidCap 400	-36.23	37.38	26.64	-1.73	17.88	33.50	9.77	-2.18	20.74	16.24	-11.08	26.20	13.66	24.76	-13.06	16.44
S&P MidCap 400 EWI	—	—	—	-2.03	17.82	34.62	8.98	-5.24	23.95	13.87	-11.94	23.29	15.77	27.12	-11.47	17.72
S&P SmallCap 600	-31.07	25.57	26.31	1.02	16.33	41.31	5.76	-1.97	26.56	13.23	-8.48	22.78	11.29	26.82	-16.10	16.05
S&P SmallCap 600 EWI	—	—	—	-2.71	18.54	43.77	4.47	-6.33	29.42	10.32	-10.26	21.01	14.71	32.50	-16.23	13.20

Source: MorningstarDirect. **Past performance does not guarantee future results.** It is not possible to invest directly in an index. An index does not include cash or the deduction of fees or expenses. Returns are not indicative of the performance of any AAM product. The S&P 400 MidCap 400 EWI and S&P SmallCap 600 EWI were launched August 2010. Performance prior to the launch date is not available.

All investing involves risk and loss of principal is possible. Any investment should be made with an understanding of the various risks associated with that investment. Neither equal-weighting nor diversification assures a profit or protects against loss.

DEFINITIONS: The **NASDAQ-100** measures the performance of 100 of the largest non-financial companies listed on the NASDAQ stock exchange. The **Russell 300® Index** measures the performance of approximately 3,000 stocks and includes all large-cap, midcap and small-cap US equities, along with some micro cap stocks. The combined market capitalization represents approximately 98% of the value of all US equities. **S&P 500 Index** is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors. The S&P MidCap 400 Index is designed to measure the performance of 400 mid-sized companies. **S&P SmallCap 600®** seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. Both the S&P 400 and S&P 600 are separate and distinct from the S&P 500 Index. It is not possible to invest directly in an index. Indexes do not reflect the deduction of fees and expenses.

Unless otherwise stated, all information and opinions contained in this publication were produced by Advisors Asset Management, Inc. (AAM) and other sources believed by AAM to be accurate and reliable. However, third party sources cannot be guaranteed as to accuracy or completeness. Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and best interests. All expressions of opinions are subject to change without notice. These opinions are not intended to be a forecast of future events, a guarantee of future results, or investment advice.

Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

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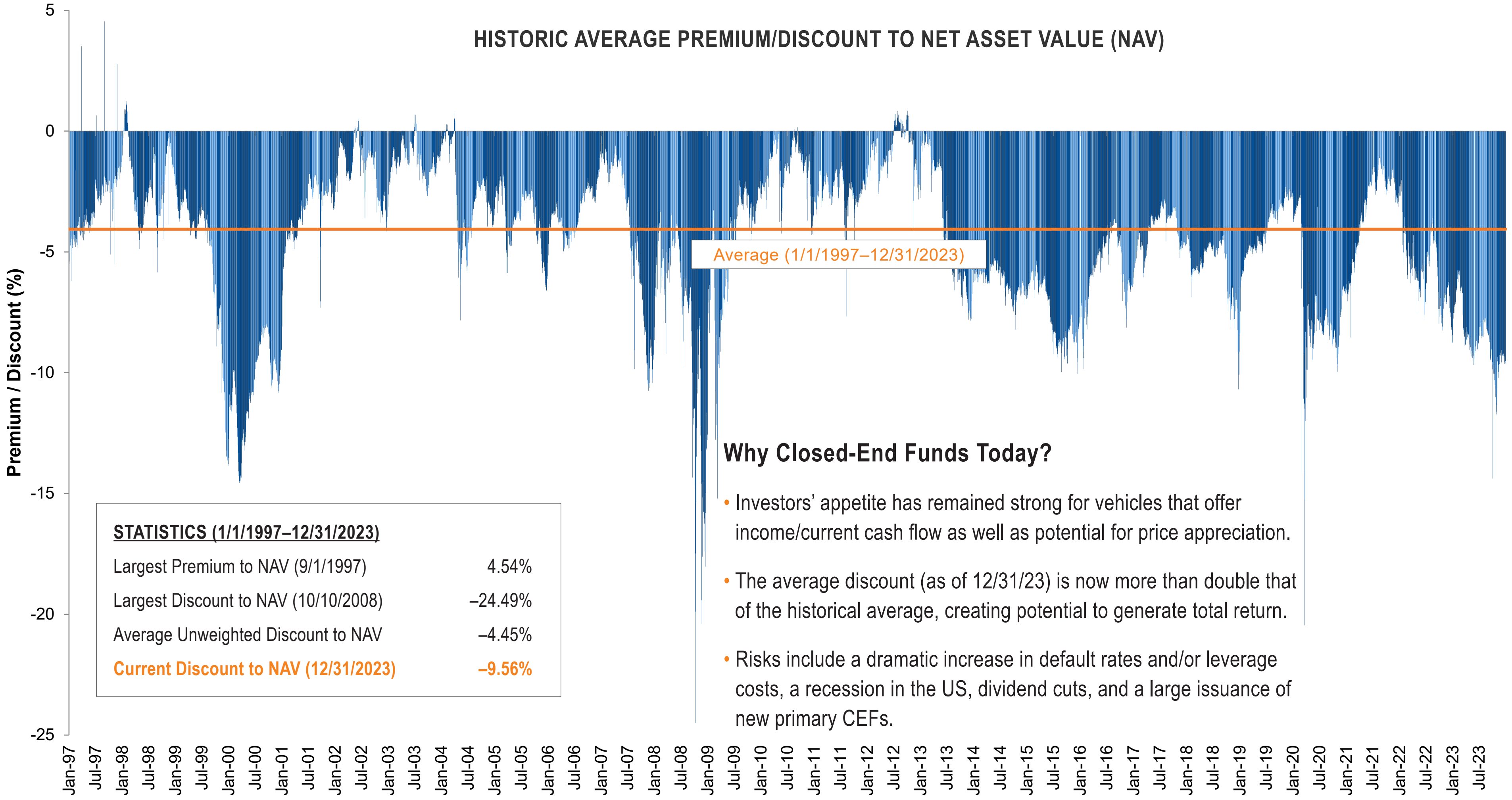
Opportunity in Closed-End Funds (CEFs)

HISTORIC AVERAGE PREMIUM/DISCOUNT TO NET ASSET VALUE (NAV)



STATISTICS (1/1/1997–12/31/2023)	
Largest Premium to NAV (9/1/1997)	4.54%
Largest Discount to NAV (10/10/2008)	–24.49%
Average Unweighted Discount to NAV	–4.45%
Current Discount to NAV (12/31/2023)	**–9.56%**

Why Closed-End Funds Today?

- Investors’ appetite has remained strong for vehicles that offer income/current cash flow as well as potential for price appreciation.
- The average discount (as of 12/31/23) is now more than double that of the historical average, creating potential to generate total return.
- Risks include a dramatic increase in default rates and/or leverage costs, a recession in the US, dividend cuts, and a large issuance of new primary CEFs.

Data source: Morningstar - data run on 1/8/24. Averages shown in graph reflect an unweighted premium/discount to NAV of All US CEFs that includes approximately 500 taxable and tax-exempt CEFs traded on the New York Stock Exchange, based on daily data. Values above 0% indicate a premium and values below 0% indicate a discount in the chart above. Because a CEF’s shares trade in the market based on investor demand, the CEF may trade at a price higher or lower than its NAV. A CEF with a share price higher than its NAV is said to be selling at a “premium” to the NAV. A CEF with a share price lower than its NAV is said to be selling at a “discount” to the NAV. For example, if a CEF has an NAV of $100, based on the current value of its portfolio, but is priced at $90, it is said to be selling at a 10% discount to NAV.

Past performance does not guarantee future results. Please see reverse for additional important disclosure information.

Key Characteristics of Closed-End Funds

Income. Many CEFs are built as income-generating vehicles and such funds generally adhere to scheduled distributions, whether they be monthly, quarterly or annually. However, distributions can include a return of capital, are not guaranteed and may vary over time.

Stable asset base. CEFs generally have a stable pool of assets to invest which enables the manager to focus on opportunities where they see the greatest potential, subject to stated investment strategies, regardless of the investment time horizon. There is, however, no assurance that any underlying investment or an investment in a CEF will be profitable.

Daily liquidity. CEFs are typically listed on stock market exchanges and can be bought or sold throughout the day. Of course, there is no guarantee that the CEF can be sold at a higher price than the original purchase price.

Why AAM and a Unit Investment Trust?

Invest with experts. Advisors Asset Management, Inc. (AAM) offers a focused selection of proprietary UITs with an emphasis on solid investment disciplines and specific asset classes. In addition, AAM partners with Cohen & Steers as portfolio consultant on several CEF UITs.

Buy. Hold. Roll. UITs are relatively fixed portfolios of professionally selected securities using a pre-defined filtering process. UITs are professionally monitored, not actively managed, and will generally terminate on a pre-determined date. This provides an opportunity to roll into a refreshed, rebalanced portfolio of securities at maturity, when available, with the applicable sales charge.

We do the necessary research. AAM utilizes a disciplined methodology for CEF selection within AAM sponsored UITs that analyzes characteristics such as historic returns, income potential, future growth potential, portfolio diversification and advisor experience. We then utilize a multi-factor approach to select the final securities based on yield, performance and premium/discount when compared to their peers and historic average.

Diversification. UITs provide investors the opportunity to invest in a portfolio of CEFs they may otherwise not be able to assemble independently due to investment minimums.

Visit www.aamlive.com or contact a financial professional for more information on the potential benefits of an allocation to closed-end funds.

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 online at www.aamlive.com 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: Closed-end funds are actively managed investment companies and are subject to various risks, including management's ability to meet the fund's investment objective, and to manage the fund's portfolio when the underlying securities are redeemed or sold, during periods of market turmoil and as investors' perceptions regarding the funds or their underlying investments change. Closed-end funds frequently trade at a discount to their net asset value in the secondary market.

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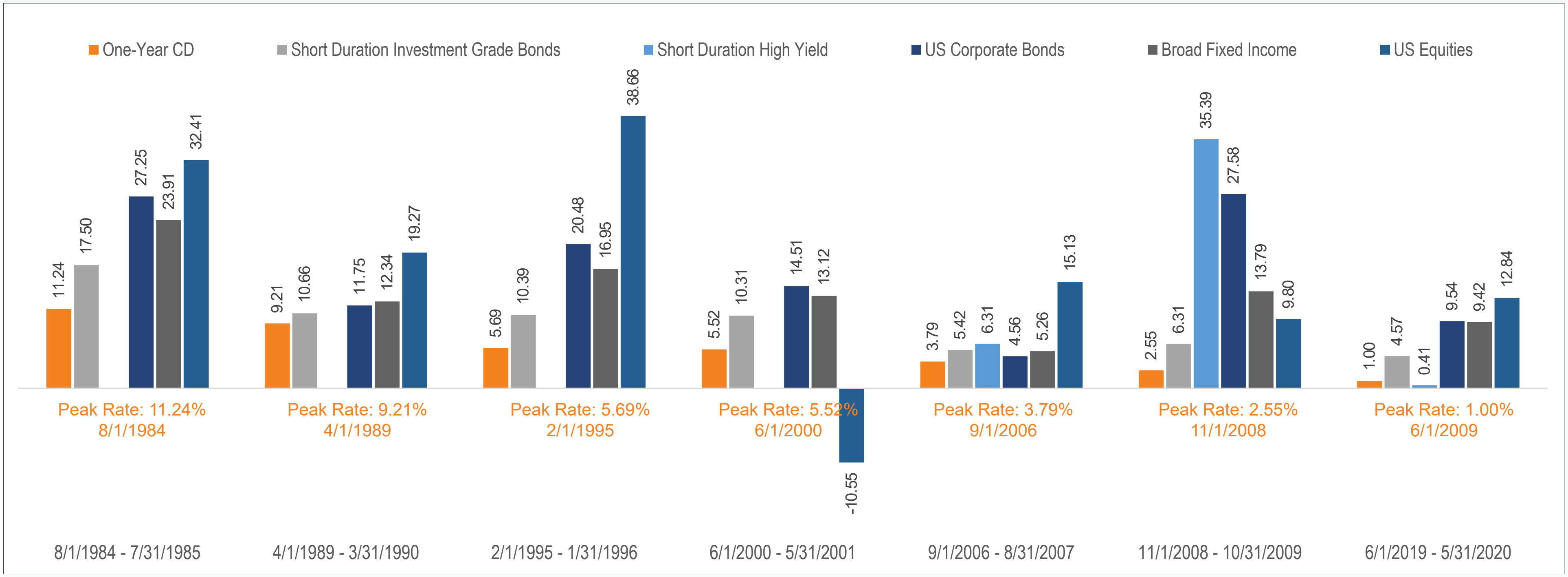
The Opportunity Cost of a “Good” CD Rate

After near-zero rates for many years, Certificates of Deposit (CDs) once again appear attractive given their relative safety and rates as high as 4%, 5% and even 6% (as of 11/28/23). **However, we believe it’s essential to recognize the opportunity cost** (potential benefits/returns foregone) of locking up your cash for a year, or even longer, to receive these rates.

We looked at peak one-year CD rates going back to the 1980s and compared it to the one-year return of select fixed income and US equity indexes; most outpaced the one-year return of the CD. If you factor in the potential impact of inflation and taxes on your investment return, the opportunity cost could be even greater. Remember that these alternate investment options are riskier than investing in a CD, however, for those willing to assume greater risk, the reward could be worthwhile.

One-Year Return Following Peak CD Rate (%)



Source: MorningstarDirect and bankrate.com. Short Duration Investment Grade bonds represented by the Bloomberg US Govt/Credit 1-3 Yr Index; Short Duration High Yield represented by the ICE BofA 0-2 Duration BB-B US High Yield Constrained Index (index data not available prior to 2006); US Corporate Bonds represented by the Bloomberg US Credit Index; Broad Fixed Income represented by the Bloomberg US Aggregate Bond Index; US Equities represented by the S&P 500 Index. See following page for definitions.

Past performance does not guarantee future results. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Returns are not indicative of the performance of any AAM product. For illustrative purposes only.

Bottom Line

- While CD rates have risen significantly from recent lows, there is still a potential opportunity cost to locking up your cash for a year or longer.
- Other investment options could have greater return potential, albeit with more and varying risks, depending on the investment.
- We believe investors ought to take the time to consider their time horizon, long-term goals and risk tolerance before making any investment decisions.

Speak with a financial professional or visit www.aamlive.com to learn more.

All investments involve risk; principal loss is possible. An investment in common stocks should be made with an understanding of the various risks of owning common stock, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. Fixed income securities are subject to certain risks including, but not limited to: interest rate risk (changes in interest rates may cause a decline in the market value of an investment); credit risk (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment risk (debt issuers may repay or refinance their loans or obligations earlier than anticipated). Market risk, or systematic risk, is the risk that results from the characteristic behavior of an entire market or asset class. These risks are enhanced in emerging markets countries; below investment grade risk (commonly known as “high yield” or “junk” securities, they may be considered speculative and may be subject to greater market and credit risks. Accordingly, the risk of defaults may be higher than investment grade securities. In addition, these securities may be more sensitive to interest rate changes and may be more likely to make early returns of principal.

A certificate of deposit (CD) is a savings product that earns interest on a lump sum for a fixed period of time. CDs differ from savings accounts because the money must remain untouched for the entirety of their term or risk penalty fees or lost interest.

INDEX DEFINITIONS: The **Bloomberg US Aggregate Bond Index** is an unmanaged, broad based index composed of US dollar denominated, investment grade, fixed rate taxable bonds with at least $250 million par amount outstanding and at least one year to final maturity. **Bloomberg US Credit Bond Index** measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year. **Bloomberg 1-3 Year US Government/Credit Index** is an unmanaged index comprised of the US Government/Credit component of the US Aggregate Index. The **ICE BofA 0-2 Year Duration BB-B US High Yield Constrained Index (**H42C) consists of all securities in the ICE BofA BB-B U.S. High Yield Index (HUC4) that have a duration-to-worst of 2 years or less. **S&P 500 Index** is an unmanaged market capitalization weighted index used to measure 500 companies chosen for market size, liquidity and industry grouping, among other factors. Unless otherwise stated, all information and opinions contained in this publication were produced by Advisors Asset Management, Inc. (AAM) and other sources believed by AAM to be accurate and reliable. However, third party sources cannot be guaranteed as to accuracy or completeness. Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and best interests. All expressions of opinions are subject to change without notice. These opinions are not intended to be a forecast of future events, a guarantee of future results, or investment advice.

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US Fixed Income

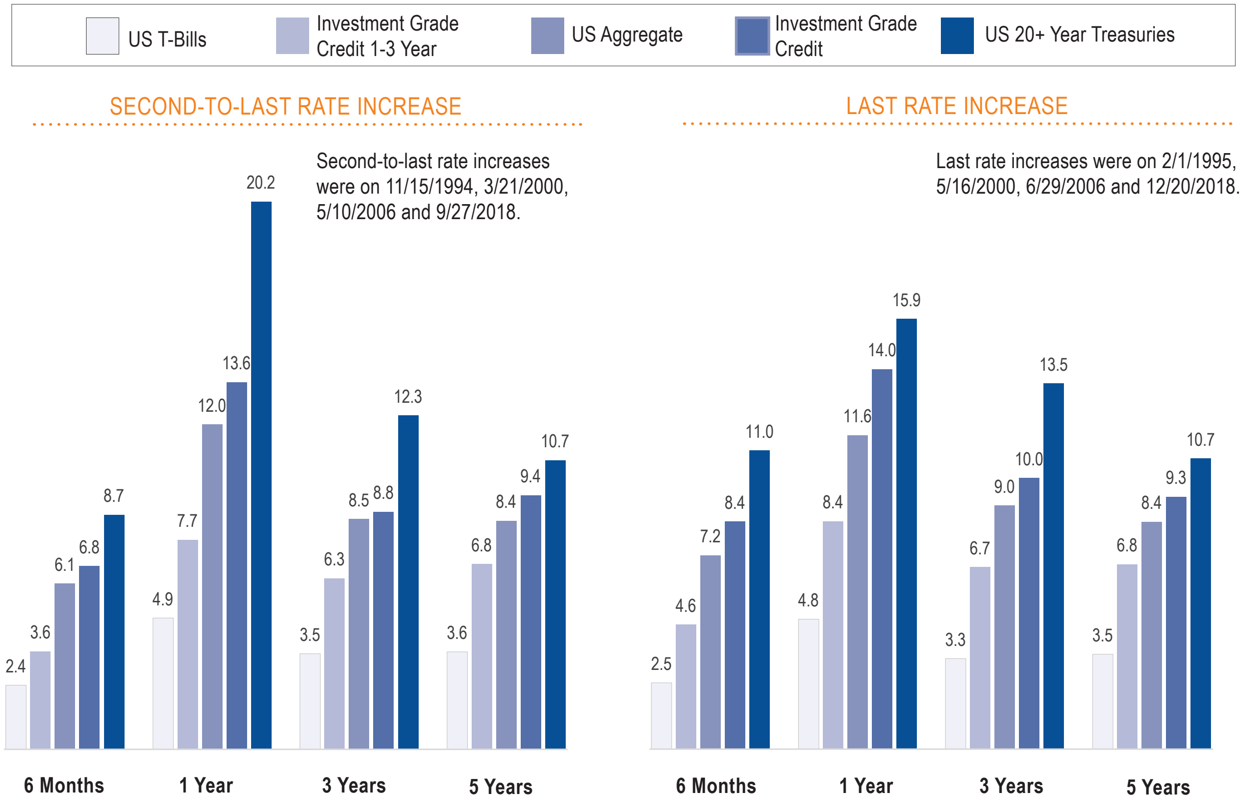
The Case for Extending Duration

The Federal Reserve (Fed) has raised rates 525 basis points since March 2022[1] to combat historically high inflation. And while inflation has remained higher than the Fed's target of 2%, it has come down significantly, indicating that we are likely at the end of this hiking cycle. We therefore went back to 1990 and calculated the performance of various fixed income indexes after the last and second-to-last Fed rate increases. In each of the four tightening cycles that occurred during this period, both short and longer-duration indexes generated positive returns, with a clear trend of longer-duration indexes outperforming short[2].

With the Federal Reserve likely at the end of its tightening cycle, now may be a good time to consider extending your portfolio's duration.

Visit www.aamlive.com or contact a financial professional to discuss potential opportunities today.

Fixed Income Performance After Fed's Final Two Rate Increases (%)



Second-to-last rate increases were on 11/15/1994, 3/21/2000, 5/10/2006 and 9/27/2018.

Last rate increases were on 2/1/1995, 5/16/2000, 6/29/2006 and 12/20/2018.

Source: Morningstar Direct. Total returns are annualized for periods greater than one year. **Past performance does not guarantee future results.** US T-Bills represented by the Bloomberg US Treasury Bill 1-3 Month Index; Investment Grade Credit 1-3 Year represented by the Bloomberg Credit 1-3 Year Index; US Aggregate represented by the Bloomberg US Aggregate Bond Index; Investment Grade Credit represented by the Bloomberg US Credit Index; US 20+ Year Treasuries represented by the Bloomberg US Treasury 20+ Year Index.

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1. As of December 31, 2023.
2. Tightening cycles began on 2/4/1994, 6/30/1999, 6/30/2004 and 12/17/2015. The single interest rate increase on 3/25/1997 was excluded from the analysis.

Performance for the periods prior or subsequent to those periods reflected herein may be lower. It is not possible to invest directly in an index. An index does not include cash. Returns are not indicative of the performance of any AAM product. Please see reverse for index definitions and additional important information.

Key Takeaway: Fixed income is a critical allocation in many investors' portfolios regardless of the market environment. However, with the Federal Reserve putting the "income" back in fixed income and likely at the end of its tightening cycle, now may be a good time to consider extending your portfolio's duration.

Speak with a financial professional or visit www.aamlive.com to learn more.

All investments involve risk; principal loss is possible. Fixed income securities are subject to certain risks including, but not limited to interest rate risk, which is the risk that changes in interest rates may cause a decline in the market value of an investment; credit risk, which is the risk that changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral may cause a decline in the market value of an investment; and prepayment risk, which is the risk that debt issuers may repay or refinance their loans or obligations earlier than anticipated. Duration risk measures the sensitivity of a bond's price to a one percent change in interest rates; the longer a bond's duration, the greater its sensitivity to interest rates changes. Market risk, or systematic risk, is the risk that results from the characteristic behavior of an entire market or asset class.

DEFINITIONS: **Bloomberg US Treasury Bill 1-3 Month Index** is designed to measure the performance of public obligations of the US Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months. **Bloomberg Credit 1-3 Year Index** measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with 1 to 2.9999 years to maturity. **Bloomberg US Aggregate Bond Index** is an unmanaged, broad based index composed of US dollar denominated, investment grade, fixed-rate taxable bonds with at least $250 million par amount outstanding and at least one year to final maturity. **Bloomberg US Treasury Bills Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. **Bloomberg US Treasury 20+ Year Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with maturities of 20 years and longer. **Duration** is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. It measures how long it takes, in years, for an investor to be repaid the bond's price by the bond's total cash flows.

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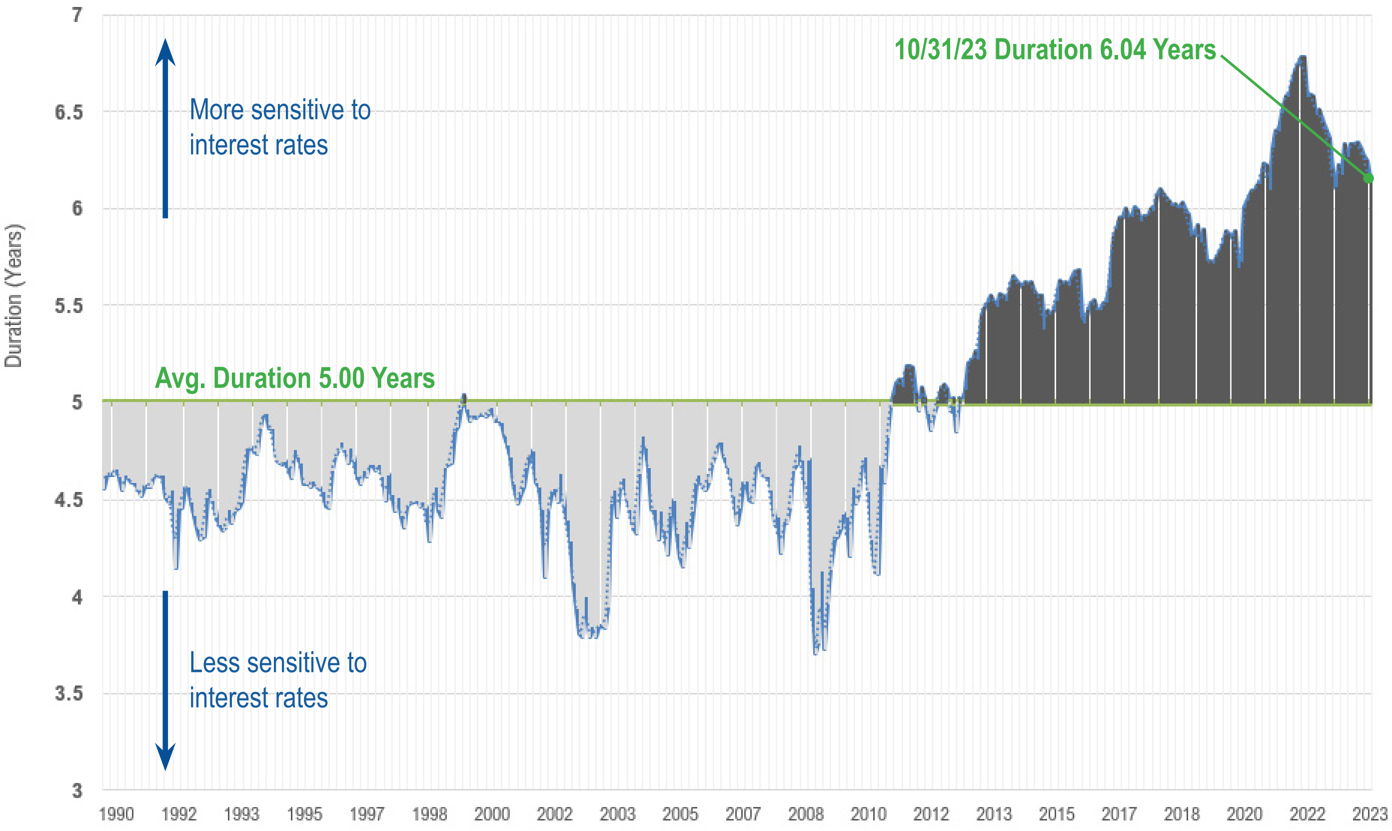
When is it Time to Extend Duration?

How Duration Impacts Bond Values

For years, our analysis has been focused on the potential impact of rising rates on bond portfolios, but what happens after rates rise? Will they continue to increase, stagnate, or decline? If you believe we are in a "higher for longer" scenario or that rates will start to fall, now may be a good time to selectively extend duration into a potentially slowing economy.

According to FINRA[1], **bond duration** is a measure of the degree to which a bond investment is likely to change in value if interest rates were to rise or fall. The higher the duration, the more sensitive the bond is to changes in interest rates and vice versa. In general, portfolio managers will seek to increase portfolio duration to monetize volatility in a declining interest rate environment and reduce duration to combat the effects rising interest rates can have on a bond portfolio.

Duration of the Bloomberg US Aggregate Bond Index (1/31/90 - 10/31/23)



IMPACT ON A BOND WORTH $10,000

1% DECREASE in Rates

Bond Duration	Basis Point (bps) Change	Bond Value
1 year	100 bps	$10,100
5 year	500 bps	$10,500
10 year	1000 bps	$11,000

1% INCREASE in Rates

Bond Duration	Basis Point (bps) Change	Bond Value
1 year	100 bps	$9,900
5 year	500 bps	$9,500
10 year	1000 bps	$9,000

Source: Bloomberg data as of October 31, 2023. For illustrative purposes only. Past performance is not guarantee of future results. It is not possible to invest directly in an index. Index performance does not reflect the deduction of any fees or expenses. Returns are not indicative of performance of any AAM product.

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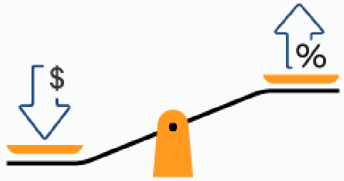
[1] FINRA: Financial Industry Regulatory Authority

Key Takeaways

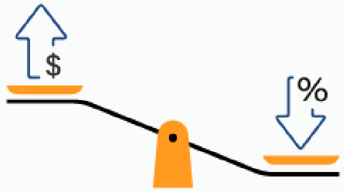
- The principal value of a bond fluctuates as interest rates change.
- **Duration** is a measure of interest rate risk. Bonds with a lower duration are less sensitive to changes in interest rates than bonds with a longer duration.
- In a **rising interest rate environment**, bond prices are generally expected to decline resulting in shorter duration bonds becoming more attractive.
- In a **falling interest rate environment**, bond prices are generally expected to rise making longer duration bonds more attractive.
- There are numerous of factors considered when calculating duration, such as coupon rate, call features, yield and maturity. Contact your financial professional for additional information and guidance.

Inverse relationship between bond prices and interest rates:

If interest rates rise, prices fall and yields rise.



If interest rates fall, prices rise and yields fall.



Speak with a financial professional to learn more or visit www.aamlive.com.

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The **Bloomberg US Aggregate Bond Index** is an unmanaged, broad-based index composed of US dollar denominated, investment grade, fixed rate taxable bonds with at least $250 million par amount outstanding and at least one year to final maturity.

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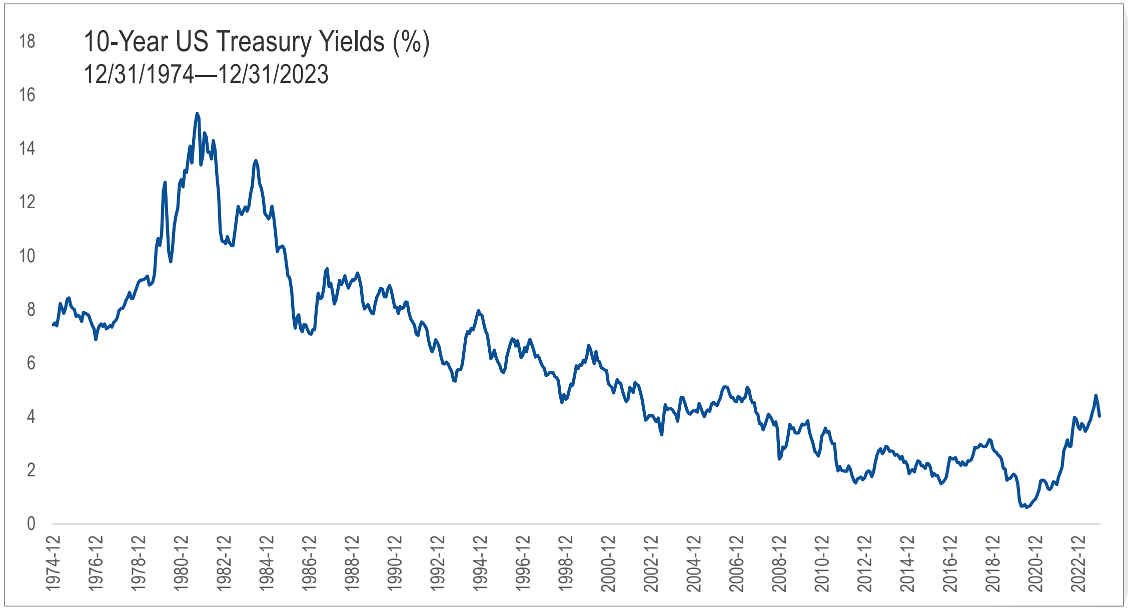
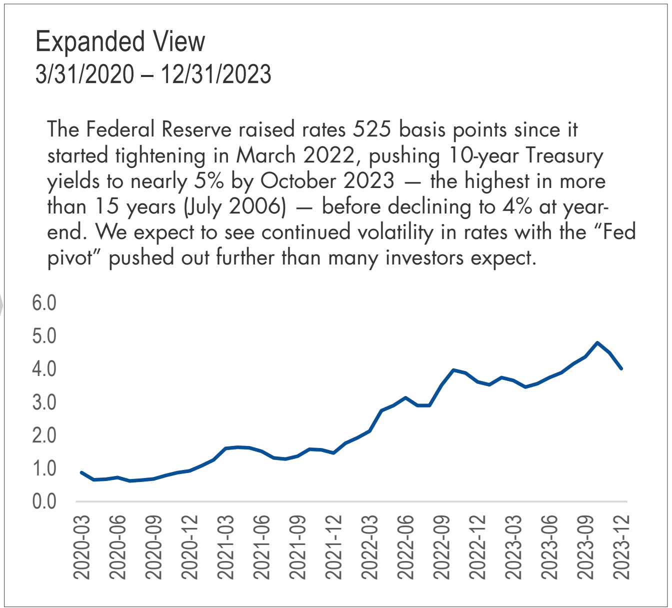
Play Defense Against Interest Rate Volatility

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





The Federal Reserve raised rates 525 basis points since it started tightening in March 2022, pushing 10-year Treasury yields to nearly 5% by October 2023 — the highest in more than 15 years (July 2006) — before declining to 4% at year-end. 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.

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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 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.

Unless otherwise stated, all information and opinions contained in this publication were produced by Advisors Asset Management, Inc. (AAM) and other sources believed by AAM to be accurate and reliable. However, third-party sources cannot be guaranteed as to accuracy or completeness. Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and best interests. All expressions of opinions are subject to change without notice. AAM may make a market in or have other financial interests in any security or sector discussed in this report. These opinions are not intended to be a forecast of future events, a guarantee of future results, or investment advice. There is no guarantee that the objective will be achieved. Diversification cannot assure against market loss.

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Short Duration High Yield

The Power of Fixed Income Diversification

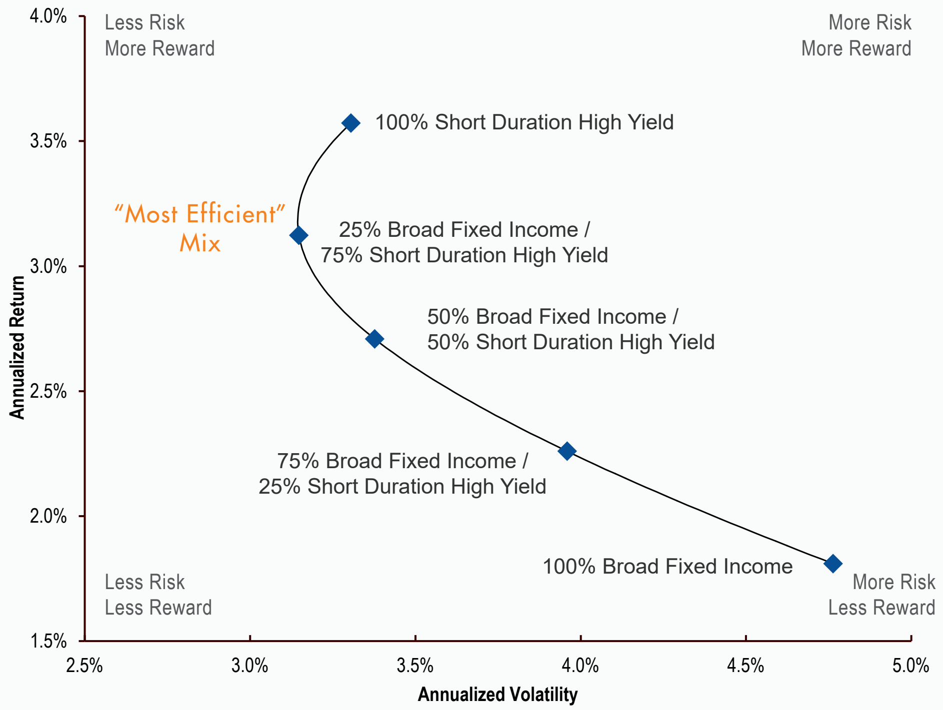
Many people think high yield and immediately think high risk. We disagree. High yield securities, particularly those with a short duration and at the higher-end of the high yield spectrum (BB and B rated), can be an important component of a well-diversified fixed income allocation. **Today especially, such short duration high yield may help balance investors' need for current income with the risk of interest rate and credit-driven price volatility.**

The graph to the right is an efficient frontier showing the volatility and total return of a portfolio comprised of various percentages of the broad fixed income market (Bloomberg US Aggregate Bond Index) and "high quality" short duration high yield (H42C). As you can see:

- *A 100% allocation to the broad fixed income market returned an annualized 1.81% with volatility of 4.76% (1/1/14–12/31/23).*
- *By adding select percentages of short duration high yield to the broad market allocation, an investor was able to increase the portfolio's annualized return, while decreasing volatility.*
- *After an extremely difficult two-year period for almost all fixed income – when the broad market generated a negataive annualized return of -4.19% versus an annualized gain of 3.77% for H42C (1/1/22–12/31/23) – the most efficient mix appears to be approximately 24% broad market and 76% short duration high yield. This mix generated an annualized 3.1% total return with a standard deviation of 3.2% (1/1/14–12/31/23), as illustrated in the graph to the right.*

Given this, we believe it is essential to examine your fixed income allocation, particularly in a volatile rate environment, and consider allocating to "high quality" short duration high yield. Doing so has the potential to enhance total return, provide current income and lower volatility.

EFFICIENT FRONTIER (1/1/14–12/31/23)



Source: Shenkman Capital Management. **Past performance does not guarantee future results.** Broad fixed income is represented by the Bloomberg US Aggregate Bond Index. Short duration high yield is represented by the ICE BofA 0-2 Year Duration BB-B US HY Constrained Index (H42C). This graph is not indicative of the performance of any AAM product.

In times of market uncertainty, one option to help investors achieve peace of mind is to invest in a diversified portfolio with the potential to generate current income.

KEY TAKEAWAYS:

An allocation to short duration high yield is a potential solution for:

- Fixed income and/or equity allocation concerns.
- Softening the likely negative impact of rising rates and widening credit spreads while maintaining exposure to fixed income.
- Generating current income, helping protect principle by minimizing interest rate risk and volatility, while delivering strong risk-adjusted returns.

Visit www.aamlive.com or contact a financial professional to discuss how diversifying your fixed income allocation may potentially enhance total return, provide current income and lower volatility.

All investments involve risk; principal loss is possible. Investing in the bond market is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise. Bond investments may be worth more or less than the original cost when redeemed. Diversification does not ensure against loss.

DEFINITIONS: The broad fixed income market is represented by the **Bloomberg US Aggregate Bond Index**, which is an unmanaged, broad based index composed of US dollar denominated, investment grade, fixed-rate taxable bonds with at least $250 million par amount outstanding and at least one year to final maturity.

Short duration high yield is represented by the I**CE BofA 0-2 Year Duration BB-B US High Yield Constrained Index (H42C)** which is a subset of the HUC4 that consists of all securities that have a duration-to-worst of 2 years or less. The ICE BofA US High Yield, BB/B Rated, Constrained Index (HUC4) has an inception date of December 31, 1996, and is a subset of the ICE BofA US High Yield Index (H0A0) that consists of all securities rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. The ICE BofA US High Yield Index (H0A0) has an inception date of August 31, 1986 and tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.These indices are unmanaged, not available for direct investment and do not reflect deductions for fees or expenses.

Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates expressed as a number of years.

A **bond rating** is a grade typically given by a private independent rating service that indicates a security's credit quality, which is intended to evaluate a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. High-yield bonds are debt obligations with a bond rating of Baa or lower according to Moody's, or BB or lower on the Standard & Poor's scale. High yield securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not.

An **efficient frontier** is the set of optimal portfolios that offers the highest expected return for a defined level of risk or the lowest risk for a given level of expected return. Portfolios that lie below the efficient frontier are sub-optimal, because they do not provide enough return for the level of risk. Portfolios that cluster to the right of the efficient frontier are also sub-optimal, because they have a higher level of risk for the defined rate of return.

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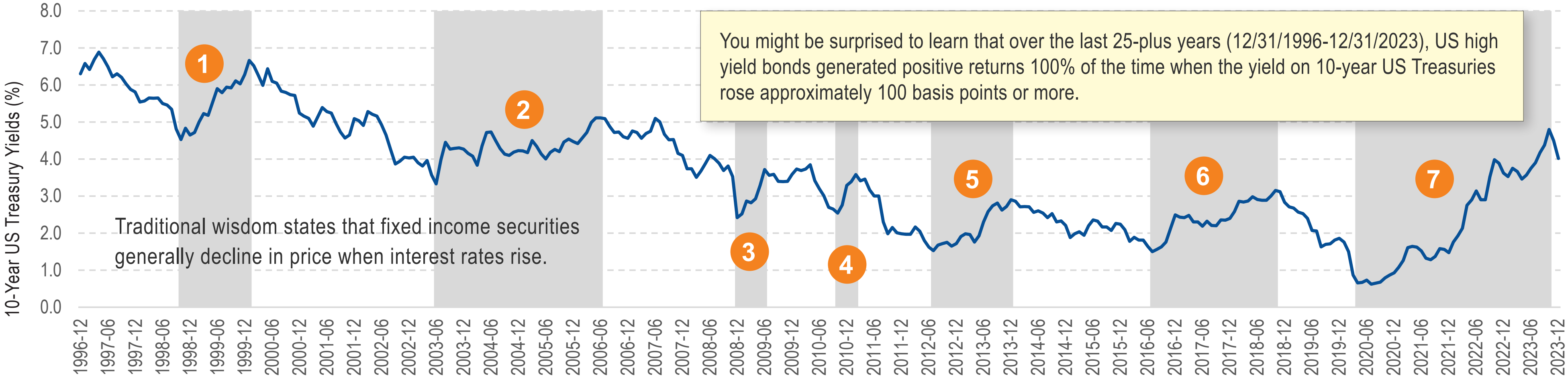
High Yield Performance in Periods of Rising Rates



You might be surprised to learn that over the last 25-plus years (12/31/1996-12/31/2023), US high yield bonds generated positive returns 100% of the time when the yield on 10-year US Treasuries rose approximately 100 basis points or more.

Traditional wisdom states that fixed income securities generally decline in price when interest rates rise.

Source: Board of Governors of the Federal Reserve System; federalreserve.gov; data represents the month-end market yield on US Treasury securities at 10-year constant maturity, quoted on an investment basis. **Past performance does not guarantee future results.** It is not possible to invest in an index.

Period	10-Year US Treasury Yield Move (basis points)	Cumulative Total Return (%)						
		1-3 Year US Govt/Credit	7-10 Year US Treasuries	US High Yield	Short Duration US High Yield	US Credit	US Aggregate	Global Aggregate
① 10/31/1998–1/31/2000	+213	3.53	-5.89	7.22	6.12	-0.17	-0.29	-5.92
② 6/30/2003–6/30/2006	+178	5.10	2.41	27.73	18.23	6.28	6.48	12.97
③ 12/31/2008–6/30/2009	+130	1.98	-7.37	30.47	23.42	6.39	1.62	0.75
④ 10/31/2010–2/28/2011	+104	-0.16	-4.33	4.15	2.62	-1.08	-1.29	-1.80
⑤ 7/31/2012–12/31/2013	+137	1.02	-6.12	14.04	9.66	-0.07	-1.55	-0.74
⑥ 7/31/2016–10/31/2018	+165	0.44	-3.11	5.84	3.35	-0.29	-0.94	-1.61
⑦ 5/1/2020–10/31/2023	+414	-0.31	-6.83	4.14	4.24	-3.30	-4.44	-5.23

Sources: Morningstar (returns) and Board of Governors of the Federal Reserve System; federalreserve.gov (10-Year Treasury Yield Move) based on month-end yield. **Past performance does not guarantee future results.** It is not possible to invest in an index. Please see reverse for indexes used and their respective definitions.

Visit www.aamlive.com or contact a financial professional to discuss fixed income opportunities in today's environment.

Investment Risks: Fixed income securities are subject to certain risks including, but not limited to: interest rate risk (changes in interest rates may cause a decline in the market value of an investment); credit risk (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment risk (debt issuers may repay or refinance their loans or obligations earlier than anticipated); foreign securities are more volatile, harder to price and less liquid than US securities and are subject to different accounting and regulatory standards, and political and economic risks. These risks are enhanced in emerging markets countries; below investment grade risk (commonly known as "high yield" or "junk" securities, they may be considered speculative and may be subject to greater market and credit risks. Accordingly, the risk of defaults may be higher than investment grade securities. In addition, these securities may be more sensitive to interest rate changes and may be more likely to make early returns of principal.

Indexes and Definitions:

1-3 Year US Govt/Credit is represented by the **Bloomberg US Govt/Credit 1-3 Year Index**, which is an unmanaged index comprised of the US Government/Credit component of the US Aggregate Index. 7-10 Year US Treasuries is represented by the **ICE BofA US Treasuries 7-10 Year Index**, which is an tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. US High Yield is represented by the **BofA US High Yield Master II Index,** which is an unmanaged index that tracks the performance of below-investment-grade, US-dollar-denominated corporate bonds publicly issued in the US domestic market. Short Duration US High Yield is represented by the **ICE BofA 1-3 Year BB Cash Pay High Yield Index** which is a subset of the Bank of America US Cash Pay High Yield Index including all securities with a remaining term to final maturity less than 3 years and rated BB1 through BB3, inclusive. US Credit is represented by the **Bloomberg US Credit Bond Index** measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year. Global Aggregate bonds are represented by the B**loomberg Global Aggregate Bond Index,** which is a measure of global investment grade debt from twenty-four different local currency markets. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers. US Aggregate is represented by the **Bloomberg US Aggregate Bond Index**, an unmanaged, broad based index composed of US dollar denominated, investment grade, fixed-rate taxable bonds with at least $250 million par amount outstanding and at least one year to final maturity. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

Past performance does not guarantee future results. It is not possible to invest directly in an index.

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