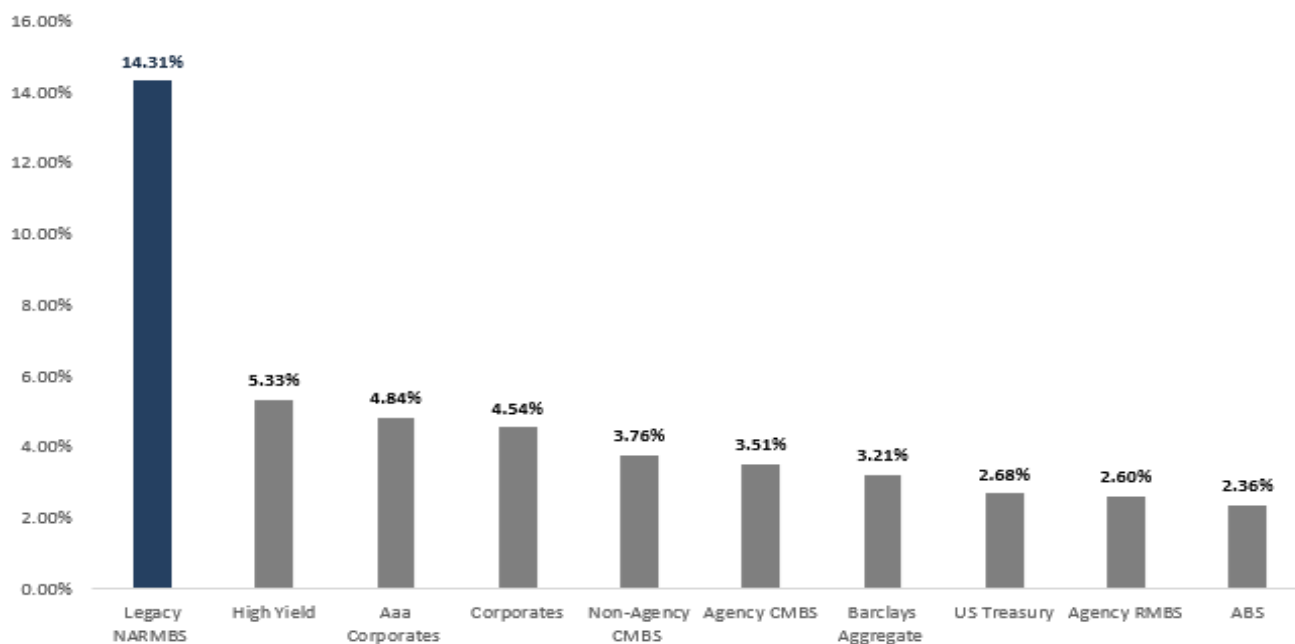


# Legacy Non-Agency RMBS Outperforms Other Fixed Income Assets

Annualized Returns Since 06/30/2014



\*Annualized returns from 06/30/2014 to 05/31/2021

\* Legacy NARMBS represented by the Markit IBoxx Broad US Non-Agency RMBS USD Index which tracks senior mortgage bonds from a pool of 22,000 RMBS issued between 2005 and 2007. High Yield is represented by the Bloomberg Barclays US Corporate High Yield TR Index. Aaa Corporates are represented by the Bloomberg Barclays Aaa Corporate TR Index. The Corporates are represented by the Bloomberg Barclays US Corporate TR Index. Non-Agency CMBS is represented by Bloomberg Barclays Non-Agency CMBS TR Index. Agency CMBS is represented by Bloomberg Barclays US Agency CMBS Agg Eligible TR Index. Barclays Aggregate represented by Bloomberg Barclays US Agg TR Index. US Treasury represented by Bloomberg Barclays US Treasury TR Index. Agency RMBS represented by Bloomberg Barclays US MBS Index TR Index. ABS represented by Bloomberg Barclays US Agg ABS TR Index.

- Legacy Non-Agency RMBS outperform all other asset classes by over 2.5x over the past seven years.
- Legacy Non-Agency RMBS amortize meaning that every month the bond gets safer as underlying loans and mortgage deals de-lever.
- The combination of a robust housing market, market leading credit spreads, declining default rates, improving underwriting standards, uncorrelated returns, and positive selection bias (weaker loans already liquidated) all present legacy non-agency RMBS as a unique investment opportunity.

**Hunter Frey** | Analyst at Catalyst Capital Advisors, LLC and Rational Advisors.