

INSIGHT: SUBADVISOR SHOWCASE – GUGGENHEIM INVESTMENTS US BANK LOANS

By Tom Woolwine, President

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Our strategic outlook suggests that the Federal Reserve will raise interest rates very cautiously over the next several years. Bond returns will lag their historical average, and credit is favored over Treasuries. The DMS Portfolio Management Team has tactically implemented a portion of their credit allocation using the Guggenheim Floating Rate Strategies Fund. Following is a brief summary of this subadvisor’s team and investment process.

Guggenheim’s Portfolio Management Team for the fund includes five investment professionals led by Global Chief Investment Officer B. Scott Miner. The fund seeks to outperform the Credit Suisse Leveraged Loan Index.

The fund invests primarily in bank loans and other floating rate securities. It offers opportunities as an alternative to traditional fixed income securities that may help hedge interest rates and inflation exposure. It provides diversification benefits as well as the potential to maximize current income

At June 30, 2016, the fund’s portfolio held 378 securities. Diversification was as follows:

<u>Sector</u>	%	<u>Quality</u>	%
Bank Loans	71.0	AAA-BBB	8.9
High Yield	7.0	BB	30.6
Non-Agency MBS	5.6	B	43.5
ABS	5.6	CCC	3.8
CMBS	0.4	CC	0.1
Cash	10.4	NR	2.6
		Cash	10.4

If you would like to know more about either our Investment Outsourcing or GTAA Services, please contact Tom Woolwine, President, at (913) 981-1345 or twoolwine@demarche.com.

Disclaimer: The asset class and/or investment strategies described here may not be suitable for certain investors. We encourage you to work with your investment counsel to understand the risk characteristics and potential fit with your investment program.