

nuveen

A TIAA Company

The ongoing case for senior loans

What are senior loans?

- Loans are issued by below-investment grade companies and purchased by institutional investors
- Loans are senior secured and have a floating rate coupon that adjust with short term rates
- Represent a market that has grown to over \$1.4 trillion, in the institutional asset class and an indispensable component of corporate finance



NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

What makes senior loans a compelling asset class?

FEATURES		FLOATING RATE INCOME	SENIOR STATUS	SECURED
POTENTIAL BENEFITS	For lenders/investors	Senior loans' income payments typically reset every 30 to 90 days and rise as interest rates rise. Spreads also tend to be higher vs. high-grade bonds.	Since senior loans sit at the top of the capital structure, loan lenders are paid before other lenders or debt holders.	Loans are secured by company assets and typically have a higher recovery rate in the capital structure.
	For borrowers	If rates decrease, borrowers pay less debt. (Conversely, if rates rise the borrower will pay more.)	Senior loans are often the lowest cost funding options available for below-investment grade companies.	Borrowers may receive more favorable terms for repayment of the loan.

Priority order of payment within a company's capital structure

HIGHEST	Senior loans	Secured by assets <ul style="list-style-type: none"> • property • equipment • intellectual property • accounts receivable • inventory
LOWEST	High yield bonds Convertible bonds Preferred stock Common stock	Unsecured by assets

Senior loans vs. bonds when interest rates change

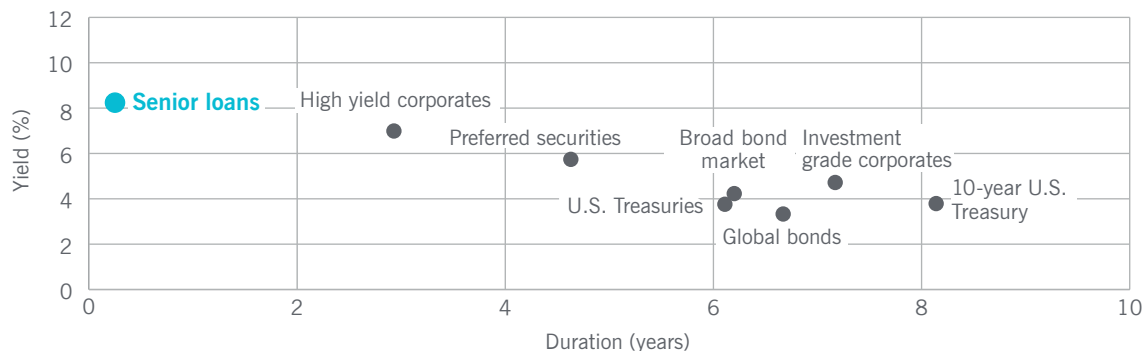
- Senior loan coupons float
- Bond coupons are fixed

	↑ Interest rates increase	↓ Interest rates decrease
SENIOR LOANS	↔ Prices remain stable	↔ Prices remain stable
	↑ Income increases	↓ Income decreases
BONDS	↓ Prices decrease	↑ Prices increase
	↔ Income remains stable	↔ Income remains stable

How senior loans may benefit a portfolio

Relative to most bond categories, senior loans have historically provided increased income, lower duration and low correlation to interest rate changes.

Compelling yield and duration (As of 30 Sep 2024)



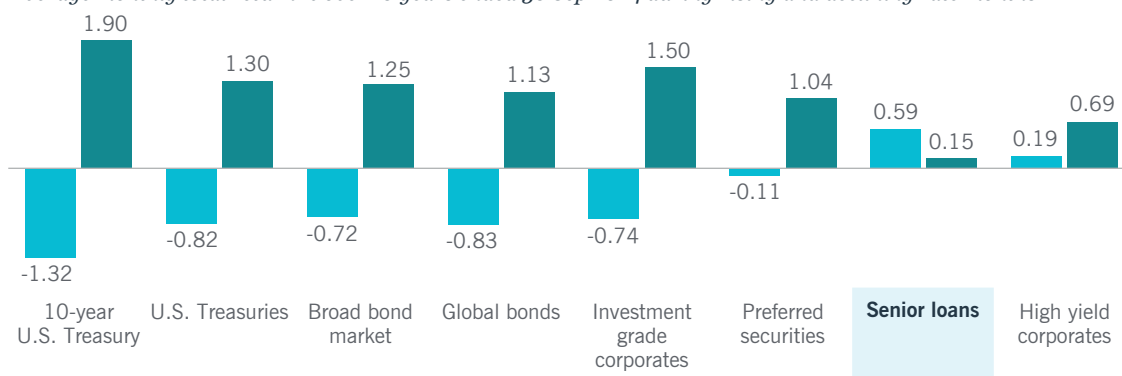
The chart does not represent the past performance or yield of any Nuveen fund. For fund performance information, visit [nuveen.com](https://www.nuveen.com).

Data source: Bloomberg L.P., ICE Data Services and Credit Suisse as of 30 Sep 2024. **Past performance does not predict or guarantee future results.** Yield: For all bonds, yield is yield to worst. Yield for senior loans is the 3-year yield to average life. Duration: Measured by effective duration. Broad bond market: Bloomberg U.S. Aggregate Bond Index; 10-year U.S. Treasury: Bloomberg U.S. Treasury Bellwethers 10 Yr. Index; Global bonds: Bloomberg Global Aggregate Bond Index; Investment grade corporates: Bloomberg U.S. Corporate Investment Grade Index; High yield corporates: Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index; Preferred securities: ICE BofA All Capital Securities Index; Senior loans: Credit Suisse Leveraged Loan Index; U.S. Treasuries: Bloomberg U.S. Treasury Index.

Senior loans may benefit a portfolio in periods of rising and falling rates

Average monthly total return % over 10 years ended 30 Sep 2024 during rising and declining rate months

● Rising rates
● Falling rates



Effective duration (years)	8.14	6.11	6.20	6.67	7.17	4.63	0.25	2.93
Correlation to 10-year U.S. Treasuries	1.00	0.99	0.92	0.75	0.72	0.32	-0.17	0.18

¹ The 10-year yield, represented in this exhibit by the Bloomberg U.S. Treasury Bellwethers 10 Yr. Index, is often used as a proxy for mortgage rates and is also seen as a sign of investor sentiment about the economy.

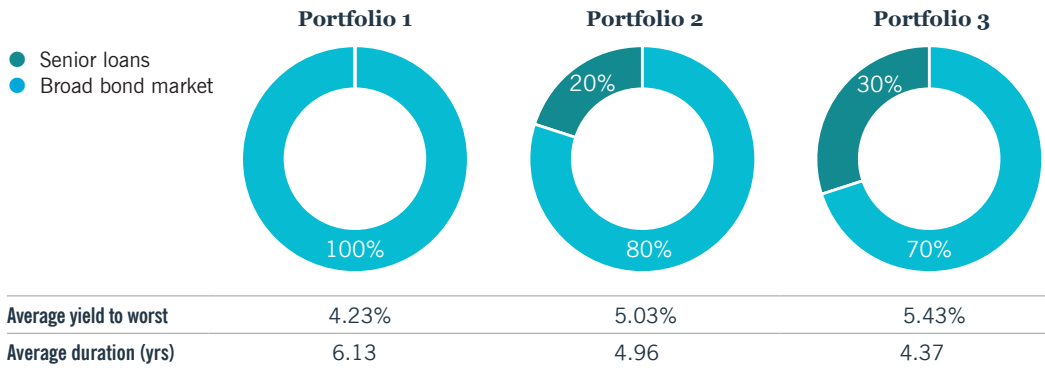
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Data source: Morningstar Direct, 01 Oct 2014 - 30 Sep 2024. **Past performance does not predict or guarantee future results.** Rising rate months are defined as all months when the 10-year Treasury price return was negative and declining rate months are defined as all months when the 10-year Treasury price return was positive. Returns assume reinvestment of dividends and capital gains but does not reflect transaction costs or taxes. **Representative indexes:** 10-year U.S. Treasury: Bloomberg U.S. Treasury Bellwethers 10 Yr. Index; Broad bond market: Bloomberg U.S. Aggregate Bond Index; Global bonds: Bloomberg Global Aggregate Bond Index; High yield corporates: Bloomberg Corporate High Yield 2% Issuer Capped Index; Investment grade corporates: Bloomberg U.S. Corporate Investment Grade Index; Preferred securities: ICE BofA All Capital Securities Index; Senior loans: Credit Suisse Leveraged Loan Index; U.S. Treasuries: Bloomberg U.S. Treasury Index.

Different benchmarks, economic periods, methodologies and market conditions will produce different results. There is no assurance that any asset class or index will provide positive performance over time. It is not possible to invest directly in an index. See page 4 for important disclosures regarding asset class related risks and Glossary for representative indexes and their definitions.

Hypothetical allocations to senior loans may offer higher yield and lower duration potential to mitigate interest rate risk

As of 30 Sep 2024



The hypothetical allocations are for illustrative purposes only and are not a recommendation to buy or sell any specific securities and should not be considered investment advice of any kind. **Representative indexes:** Broad bond market: Bloomberg U.S. Aggregate Bond Index; Senior loans: Credit Suisse Leveraged Loan Index. It is not possible to invest directly in an index.

For more information about how senior loans may enhance your investment portfolio, consult with your financial advisor, or visit nuveen.com.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security of an investment strategy and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her financial professionals.

Glossary

Correlation is a statistical measure of how two securities move in relation to each other. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation (a correlation coefficient of -1) means that securities will move by an equal amount in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; their movements in relation to one another are completely random. **Effective duration** (sometimes called option-adjusted duration) is a more refined calculation than the basic "modified duration" which is often used, and recognizes that the probability that a bond will be called or stay outstanding until maturity will vary if market interest rates change. Effective duration requires the use of a model for pricing bonds that adjusts the price of the bond to reflect changes in the value of the bond's "embedded options" (e.g., the right of the issuer to call the bond prior to maturity, or a sinking fund schedule) based on the probability that the option will be exercised. The model makes several assumptions so effective durations may not be comparable to the durations of funds outside the Nuveen fund complex. **Duration for senior loans** is based on the maximum reset period for loan interest payments, which is quarterly — or the equivalent of 0.25 years effective duration. As

interest rates rise, bond prices fall. **Standard deviation (risk)** is a statistical measure of the historical volatility of a mutual fund or portfolio; the higher the number, the greater the risk. **Yield to worst** is the lowest potential yield that can be received on a bond without the issuer defaulting. Senior Loans yield is the 3-year yield to average life. The **3-year yield to average life** is the par-weighted average time (in years) to the principal repayment for non-callable securities and the par-weighted average time (in years) to the probable call/put for callable securities. The **Bloomberg Corporate High Yield 2% Issuer Capped Index** measures the USD-denominated, high-yield, fixed-rate corporate bond market and limits each issuer to 2% of the index. The **Bloomberg Global Aggregate Index** is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. The **Bloomberg U.S. Aggregate Bond Index** tracks the performance of U.S. investment-grade bonds. The **Bloomberg U.S. Corporate Investment Grade Index** is a broad based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market. The **Bloomberg U.S. Treasury Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issues by the U.S. Treasury. The **Bloomberg U.S. Treasury Bellwethers 10 Yr. Index** is an unmanaged index representing the on-the-run (most recently auctioned) U.S. Treasury bond with 10 years' maturity. The **ICE BofA All Capital Securities Index** is designed to replicate the total return of a diversified group of investment-grade preferred securities. The **Credit Suisse Leveraged Loan Index** is designed to mirror the investable universe of the \$US-denominated leveraged loan market.

Important information on risk

Investing involves risk; principal loss is possible. Different types of asset investments have different types of risks, which may provide higher returns but also greater volatility. Income is only one component of performance and an investor should consider all of the risk factors for each asset class before investing. Except in certain circumstances, income is generally subject to both federal and state taxes. **Fixed income securities** may be susceptible to general movements in the bond market and are subject to credit and interest rate risks. **Credit risk** arises from an issuer's ability

to make interest and principal payments when due, as well as the prices of bonds declining when an issuer's credit quality is expected to deteriorate. **Interest rate risk** occurs when interest rates rise causing bond prices to fall. The value of, and income generated by, **debt securities** will decrease or increase based on changes in market interest rates. **Government bonds** are guaranteed as to the timely payment of principal and interest. However, there are other factors that can contribute to how securities react in various interest rate environments. **Below investment grade or high yield debt securities** are subject to heightened credit risk, liquidity risk and potential for default. The issuer of a debt security may be able to repay principal prior to the security's maturity, known as **prepayment (call) risk**, because of an improvement in its credit quality or falling interest rates. In this event, this principal may have to be reinvested in securities with lower interest rates than the original securities, reducing the potential for income. **Senior loans** may not be fully secured by collateral, generally do not trade on exchanges, and are typically issued by unrated or below-investment grade companies, and therefore are subject to greater liquidity and credit risk. **Preferred securities** are subordinate to bonds and other debt instruments in a company's capital structure. They combine the features of bonds and stocks, and have credit risk based on the issuer's ability to make interest and dividend payments when due. Certain types of preferred, hybrid or debt securities with special loss absorption provisions, such as contingent capital securities (CoCos), may be or become so subordinated that they present risks equivalent to, or in some cases even greater than, the same company's common stock. **Asset-backed and mortgage-backed securities** are subject to additional risks such as prepayment risk, liquidity risk, default risk and adverse economic developments. **Concentration** in specific sectors may involve greater risk and volatility than more diversified investments.

Before investing, carefully consider the investment objectives, risks, charges and expenses. For this and other information that should be read carefully, please request a prospectus or summary prospectus from your financial professional or Nuveen at 800.257.8787 or visit nuveen.com.

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