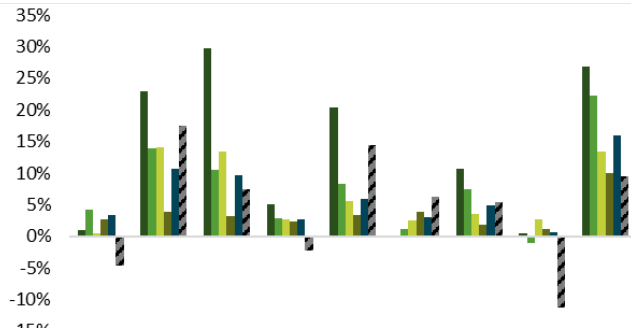
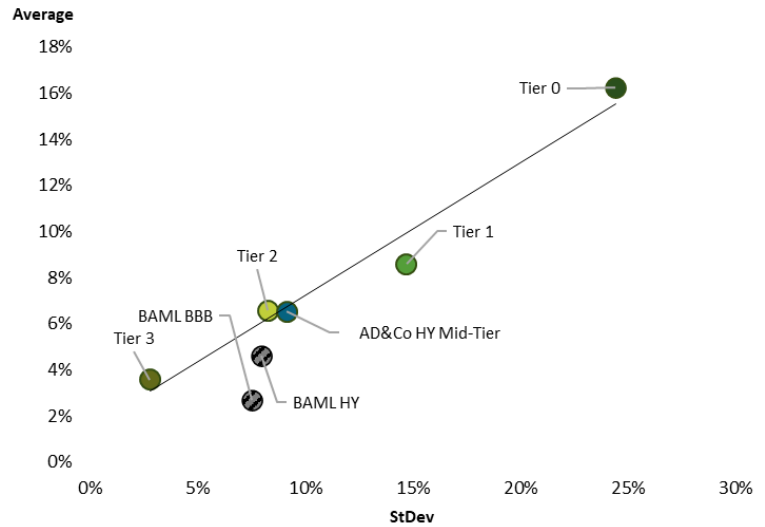


ANNUALIZED RETURNS: MEAN & STDEV

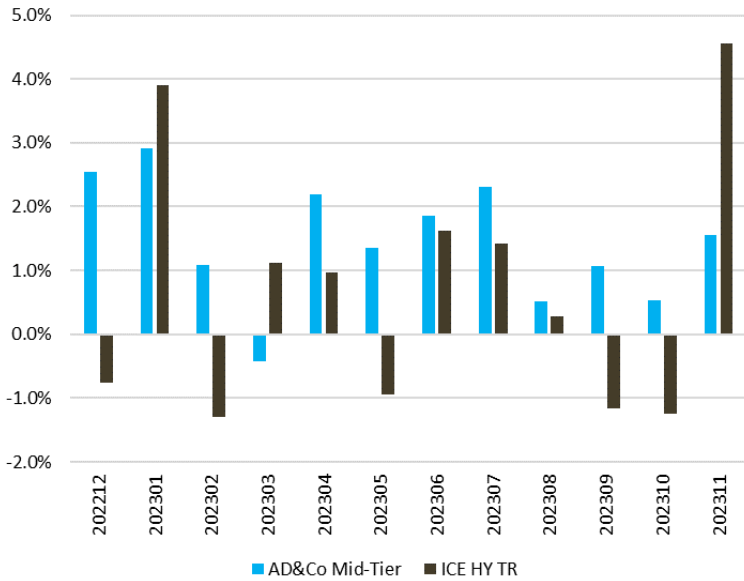


| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|---------|--------|
| Tier 0 | 0.97% | 22.91% | 29.75% | 5.01% | 20.41% | -0.19% | 10.76% | 0.39% | 26.78% |
| Tier 1 | 4.26% | 13.96% | 10.55% | 2.87% | 8.26% | 1.21% | 7.47% | -1.13% | 22.28% |
| Tier 2 | 0.50% | 14.01% | 13.38% | 2.72% | 5.54% | 2.43% | 3.50% | 2.65% | 13.41% |
| Tier 3 | 2.62% | 3.83% | 3.19% | 2.35% | 3.39% | 3.92% | 1.78% | 1.09% | 10.04% |
| AD&Co HY Mid-Tier | 3.40% | 10.61% | 9.67% | 2.63% | 5.92% | 2.97% | 4.81% | 0.65% | 15.96% |
| BAML HY | -4.64% | 17.49% | 7.48% | -2.27% | 14.41% | 6.17% | 5.36% | -11.22% | 9.42% |

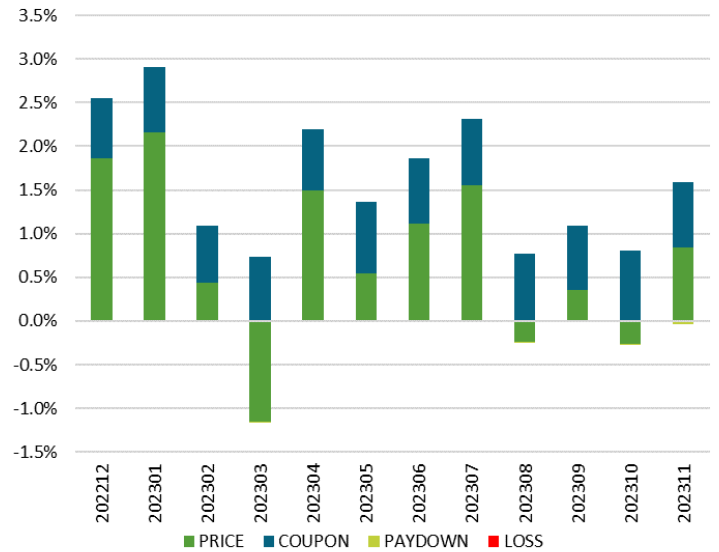
RISK RETURN SINCE INCEPTION



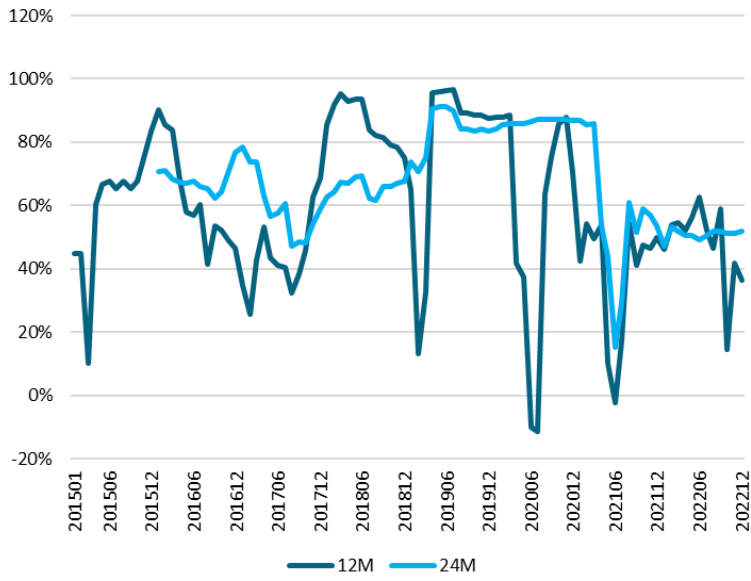
MONTHLY RETURN LAST 12 MONTHS



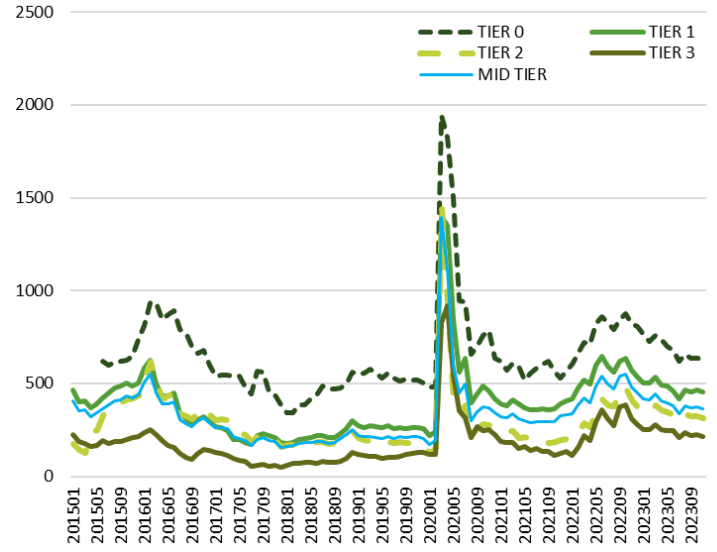
COMPONENTS OF RETURN LAST 12 MONTHS



CORRELATION SINCE INCEPTION



WEIGHTED OAS SINCE INCEPTION



INDEX OBJECTIVE

Investors and fund managers can use the index to assess the broad market returns, risks and opportunities available through investing in a market-weighted, passive portfolio of US mortgage credit risk transfer instruments. The Index also provides a means of comparing the returns of an actively managed portfolio against a passive, naïve market portfolio as approximated by the Index. The Mid-Tier and its sub-indices allow for approximations of performance comparisons by vintage or age, across the capital stack, and by initial credit risk level and/or vintage as indicated by original attachment point.

RULES FOR INCLUSION

- Only cash bonds offered to the public, whether they are exchangeable or not that have or have had IDC prices.
- Floating rate bonds only. Collateral Types 30 Year Residential.
Fixed Rate: STACR-DN, DNA, HQ, HQA, HRP, CAS – CO
- Tranche names – B, B1, B2, M3, M2, M1
- Normally listed on GSE websites:
 - <https://crt.freddiemac.com/offerings/stacr.aspx#issuance-details>
 - <http://www.fanniemae.com/portal/funding-the-market/credit-risk/transactions.html>
- Bond factor $\geq .25$
- Original attachment points in basis points:

| Index | Min | Max | Approximate Composition | |
|----------|------------|---------|-------------------------|-----|
| | | | STACR | CAS |
| Mid-Tier | ≥ 25 | < 375 | Mixed Composition | |
| Tier 0 | ≥ 0 | < 25 | B, B2 | B |
| Tier 1 | ≥ 25 | < 95 | B1, Old M3 | B1 |
| Tier 2 | ≥ 95 | < 175 | M3, M2 | M2 |
| Tier 3 | ≥ 175 | < 375 | M2, M1 | M1 |
| Tier 4 | ≥ 375 | | M1 | M1 |

RULES FOR EXCLUSION:

- No private placements
- No Child Classes (Exchangeable into) or Retained Classes (H bonds)
- No CIRT, ACIS, SPI
- No bonds without IDC prices

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