



Tom Slefinger
Market Strategist

Weekly Relative Value

WEEK OF MARCH 16, 2026

Here Come the Cockroaches

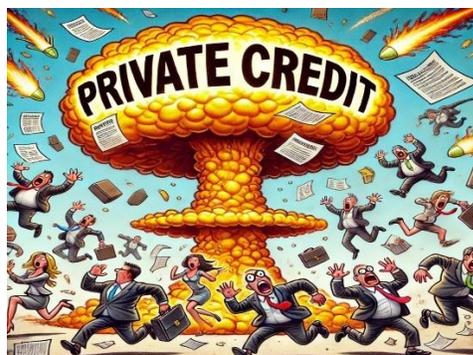
“And I probably shouldn't say this, but when you see one cockroach, there are probably more... Everyone should be forewarned on this.”
— Jamie Dimon, Chief Executive Officer, JPMorgan Chase

The war in the Middle East has taken the tariff news off the front pages, but they continue to simmer in the background. In fact, the White House continues to bolster its efforts to build its tariff wall. See [“Trump Targets Industrial Subsidies and Forced Labor in Tariff Probes”](#) (*The Wall Street Journal*).

Meanwhile, concerns over the overbuilding in the Tech sector, balance sheet issues and unrelenting concerns over the generative artificial intelligence (AI) disruption have not gone away.

Not just that, but if you've been following financial news lately, you've probably seen headlines about "private credit" — this once invincible sector has started to crack. For a decade the story was: “Banks are overregulated; private credit is nimble and safe.”

Last year, the unexpected failures of First Brands (car part supplier) and Tricolor (sub-prime auto lender and used car retailer) raised doubts about private credit loan valuations. JPMorgan CEO Jamie Dimon has repeatedly warned of hidden risks within this sector, saying when there is one "cockroach," there may be many more.



PLEASE NOTE: The views and opinions expressed herein are those of the author and do not necessarily reflect the views of Alloya Corporate Federal Credit Union, Alloya Investment Services (a division of Alloya Solutions, LLC), its affiliates, or its employees.

THIS WEEK

- BACK TO BASICS: WHAT IS PRIVATE CREDIT?
- HOW DID WE GET HERE?
- DÉJÀ VU — ALL OVER AGAIN?
- HOUSING IN DEEP FREEZE
- LOWER PRICES AND THEY WILL COME
- RENTAL DISINFLATION TO CONTINUE
- THE DATA BOMBSHELL
- MARKET OUTLOOK AND PORTFOLIO STRATEGY



Credit Union Leadership
SYMPOSIUM
September 9-11, 2026
Nashville, TN

REGISTER NOW



SUBSCRIBE

BlackRock, the world's largest asset manager, recently shared it lent more than \$430 million through its private credit arm, HPS Investment Partners, to an Indian-origin telecom entrepreneur Bankim Brahmhatt, who owns Broadband Telecom and Bridgevoice.

It lent the money based on collateral that may not have ever existed — invoices that allegedly showed the group of borrowers were owed millions in receivables by major telecom groups. In simple terms, a borrower claims that customers owe them money for services rendered or previous purchases, thereby artificially inflating the borrower's value.

A lender then agrees to advance cash based on those outstanding invoices. If the invoices are fake or inflated, the lender is effectively lending against non-existent revenue.

“Asset-backed” means nothing if the assets themselves are fictional.

Here's the thing. If this is happening with the largest and arguably most sophisticated money manager in the world, what does it mean for the smaller managers and the rest of the industry.

Investors are not waiting to find out and are running for the exits but can't get out. In February, Blue Owl Capital (an alternative asset management firm) prevented investors from withdrawing funds from OBDC II – a retail investment. Rather than permitting quarterly withdrawals, the fund will now release capital only when managers sell assets, leaving investors without control over when they receive their money. As shown below, the share price of Blue Owl has taken it on the chin, falling 67% from its recent peak!



BlackRock made even more news when it announced for the first time “gating” (limiting) withdrawals on its flagship private credit fund. Blackstone announced that investors wanted to withdraw a record 7.9% of assets — around \$3.8 billion — from its main private credit fund, BCRED. To address these redemption requests, Blackstone had senior executives contribute \$150 million of their own money to the fund. BlackRock saw its share price sink nearly -37% from the most recent high and 48% from the high reached in November 2024.



These cases aren't happening in isolation. Throughout the industry, investors are demanding their money back more quickly than funds can manage.

The latest came from none other than Morgan Stanley, who announced that it gated redemptions at its North Haven Private Income Fund after investors tried to pull almost 11% of shares. Morgan Stanley is telling investors they're only getting 45% of what they asked to withdraw.

In the same vein, Cliffwater's flagship private credit fund capped redemptions at 7% in the first quarter, after investors sought to pull about 14% of shares in one of the biggest redemption requests in the private credit sector.

While it is unknown whether private credit is a systemic risk, investors' worries are increasing around bank's exposure to private credit as a default cycle is set to accelerate. See ["Partners Group sounds alarm on private credit default rates"](#) (*Financial Times*). Indeed, the S&P 500 Financials Index is in official correction mode, having slid ~14% from the early-January peak and back to levels seen during the Liberation Day fiasco. Of note. The regional banks are nearly back in bear market terrain (-19%). The asset management stocks are already there, having slid -23% from the nearby peaks.



Meanwhile, hedge funds are experiencing their sharpest drawdowns since last April's Liberation Day carnage (Caxton Associates has lost more than \$600 million so far this month after seeing its fund post a -7% loss last week alone).

So, while the war with Iran makes the front-page headlines, it's important not to lose sight of the other potential landmines in today's economy and markets. War will end, but these problems may still be there.

BACK TO BASICS: WHAT IS PRIVATE CREDIT?

Over the next few pages, I will provide a brief overview of the private credit markets and why it matters, and why you should care even if you've never heard of it.

Traditionally, companies borrow money from banks or issue publicly traded bonds. Both markets are highly regulated. Private credit offers a third alternative: Companies attain loans directly from investment funds (e.g., Blackstone, Blue Owl) which pool investor money for lending to firms that may not meet bank criteria. In a nutshell, borrowers get faster, more flexible financing. Lenders get higher interest rates than they'd earn buying regular bonds.

A win-win, right?

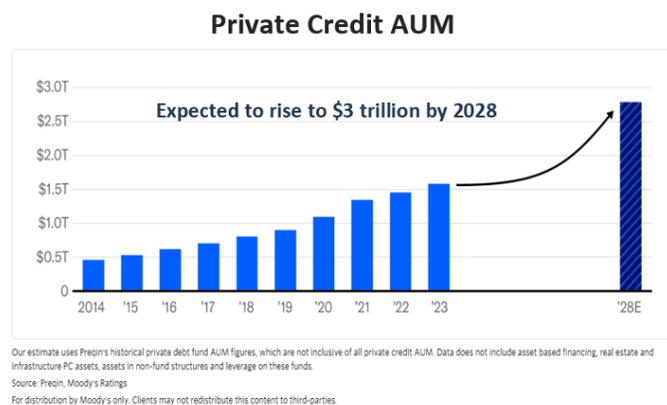
Not so fast. On the other hand, there is virtually no transparency in this market. Private credit is not traded on exchanges or rated by credit agencies; instead, in the private credit space, fund managers decide a loan's value until default occurs. This creates an incentive to overstate values, especially when fees depend on assets under management.

HOW DID WE GET HERE?

Private credit was once considered a niche within the financial industry. However, after the 2008 Financial Crisis, stricter regulations limited risky bank loans. This in turn improved safety but reduced financing options for companies trying to attain financing.

Wall Street spotted an opportunity when banks stopped issuing these loans, triggering asset management firms to create and grow private credit funds which are not bound by bank rules and have free rein over lending, terms and disclosures.

Indeed, the private credit market has rapidly expanded. Since the 2008 financial crisis, private credit markets expanded from ~\$400 billion in 2008 to almost \$2 trillion today, a fivefold jump in under twenty years. It is projected to reach \$3 trillion to \$5 trillion by 2028-2029 as investors seek higher yields and companies look for alternatives to traditional bank financing.



While institutional investors (e.g., pension funds, insurance companies, sovereign wealth funds and endowments) have been the main sources of financing for private credit funds companies such as Blackstone, Apollo, and KKR, which manage these funds, have been developing products for years aimed at accessing the \$14 trillion held in American

retirement accounts. And in August 2025, Trump issued an executive order instructing regulators to simplify the inclusion of private credit in 401(k) plans.

This trend is being referred to as "democratization." The idea is that everyday employees should have access to the same investments as wealthy individuals and institutions. Your 401(k) has become a prime target.

DÉJÀ VU — ALL OVER AGAIN?

“The next big crisis in the financial markets is going to be private credit...It has the same trappings as subprime mortgage repackaging had back in 2006.”

— Jeffrey Gundlach, Chief Executive Officer, DoubleLine Capital

Some people compare the current situation to the subprime mortgage crisis, citing increased lending outside conventional banks and opaque pricing that hide risk. Both asset classes (subprime and private credit) involved loans to borrowers who wouldn't qualify for standard bank financing.

Unquestionably, the private credit market, though smaller and with different borrowers than the 2007 mortgage sector, remains interconnected with banks that fund investment funds. Should a major fund experience distress, losses could spread through the financial system.

As noted above, Jeffrey Gundlach, CEO of DoubleLine Capital, has warned that private credit could trigger the next financial crisis, especially semi-liquid funds offering liquidity on illiquid assets, which he calls unsustainable.

The fear is entirely understandable. The first serious sign that the U.S. housing downturn was turning into a systemic crisis came when hedge funds investing in mortgage-backed securities went bad, and that happened over a year before Lehman Brothers went bust.

So how similar is this?

First, liquidity issues are not the main concern here. At the end of the day, if the underlying loans are sound, then “gating” can buy valuable time for everyone to chill out.

That said, the underlying reasons for investors becoming more concerned are by no means irrational. Private credit funds often lend to smaller or startup software companies that have little to no access to traditional financing. Historically lending to these start-ups, fast-growing companies has been a good bet. However, artificial intelligence is creating new risks for these borrowers by automating code and processes, potentially reducing the value of software businesses and the credit worthiness of loans to such firms.

Have a read of [“JPMorgan cuts private credit loan exposure amid AI threat”](#) (*Financial Times*). JPMorgan is marking down loan portfolios for private credit funds with software exposure.

This is a potentially high risk. For example, Blue Owl holds substantial exposures to software companies, as does Blackstone’s BCRED fund. Increased concerns regarding AI disruption have led to investor redemptions from private credit investments. This, in turn, leads to forced asset sales. The problem is that the loans may have to be liquidated at a price that is well below where the loan was valued by the fund manager. Lower market values could trigger additional redemptions, further sales and potentially initiate a downward cycle for prices.

Meanwhile, default rates are increasing. To wit: Fitch reported that U.S. private credit default rates hit 5.8%, the HIGHEST ever recorded. Partners Group (a private market firm) says defaults could DOUBLE from here!

In short, the fear is that the underlying loans — or the companies to which they've been made — are not as sound as investors might have hoped or believed they were. Maybe a larger number of companies will go bust, and maybe the amount of money recovered from those bankruptcies will be lower than usual.

Bottom line: It's uncertain whether private credit is simply entering a correction or approaching a crisis. Nonetheless, if investors lose confidence, accelerating redemptions would lead to more loan sales, exposing actual market values and possibly creating a "run on the bank" scenario, leading to a cascading of lower prices.

So not only do we have a war shock to contend with, but also the possible makings of a credit shock to boot.

HOUSING IN DEEP FREEZE

Traditional news outlets tried to claim there was a "recovery" in housing demand in February. Here's one quote from the *Wall Street Journal* article:

"Mortgage rates slipped below 6% in late February for the first time since 2022, a key psychological threshold that real-estate agents and lenders hoped would bring more buyers into the market during the key spring selling season..."

The increase in home sales marked a turnaround after revised January home sales tumbled around 6%."

What a disingenuous couple paragraphs that gives a completely distorted view of what's happening in the housing market right now. What they should read is:

"Mortgage rates slipped below 6% in late February, which did little to stem the tide of lower homebuyer interest, with sales falling to the lowest level for February since 2009."

In fact, buyers are on their biggest strike in U.S. history. Sales of existing single-family homes that closed in February ticked up from January by 1.7% to a two-month high of 4.09 million, making up only a small portion of the 6.2% plunge in January from December. **Notably, this was the second-worst February reading in the last 30 years.**



Home sales are down 35% from pandemic peak, and by 25% from pre-pandemic norms. And what does it say about the state of the industry when turnover activity is -4% lower today than it was in September 2008, the month Lehman collapsed and touched off the last leg of the Great Financial Crisis.

Today, there are many more sellers than buyers. To be exact, there are 600,000 more sellers than buyers. Such a gap has never existed before!

The reasons for the ongoing weakness in housing demand are straight forward. The first-time Homebuyer Affordability Index is currently at 72.3, which is nearly -20% below the 44-year average. Qualifying incomes to buy a home continue to outpace median wages for this cohort by nearly \$30,000, and this gap remains near all-time highs. Pre-pandemic, the qualifying income to purchase a home was \$49,000. Today it is \$97,000!



Prospective homebuyers are also experiencing broader macro challenges, such as weakening labor market conditions. Rising job displacements, unemployment and underemployment further diminish their chances of homeownership or delay homebuying. **According to Redfin, one in four Americans are now delaying a home purchase.**

Adding to this difficult environment, current demographic trends in the U.S. only intensify downside pressures on demand. Stalling population growth, falling family-formation rates due to financial uncertainty, and the immigration slowdown only curb the number of potential homebuyers who have the means to acquire a home.

Bottom line: The U.S. housing market isn't slowing down; it's frozen. These trends show that demand will not be reignited overnight, nor are there major signs of a rapid recovery or housing boom in the coming months. Purchasing a home will remain a considerable problem for first-time and younger prospective homebuyers in the near future.

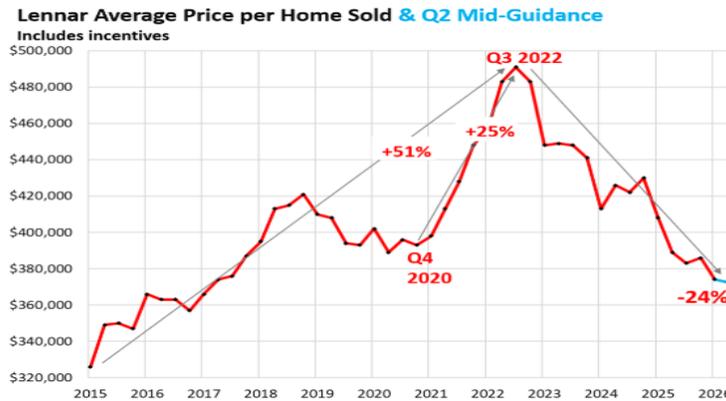
LOWER PRICES AND THEY WILL COME

"Housing affordability is improving, and consumers are responding... Still, there is a long way to go to return to pre-pandemic levels of transaction activity."

— Lawrence Yun, Chief Economist, National Association of Realtors (NAR)

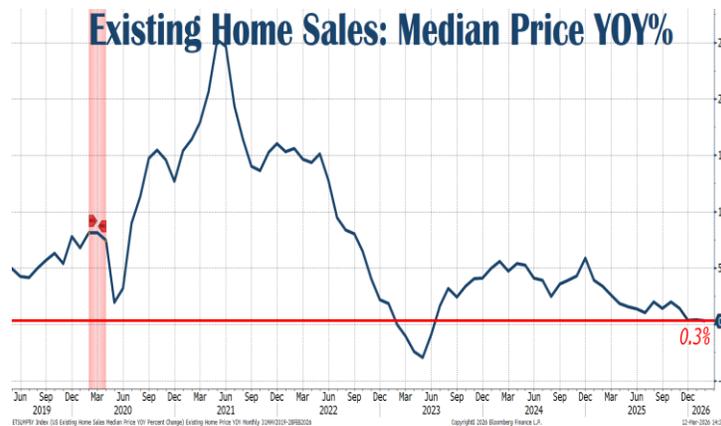
The solution is simple. Lower prices. More inventory. For proof, look at what the homebuilders have done.

In Q1 2026, Lennar (the second largest homebuilder in the US) sold 16,863 homes, up by 37% from Q1 2021 (12,314), and up by 35% from Q1 2022 (12,538), in a market where sales of existing single-family homes have plunged by 32% from 2021 for the third year in a row amid surging supply. This is happening because Lennar (unlike existing home sellers) has adapted to the market conditions and sliced prices by 24% from the pandemic peak. **At \$374,000, the average Lennar home price is back to 2017 levels.**



Clearly existing resale home prices remain too high and need to adjust to the new reality as well. That's beginning to happen naturally in many markets, but it's a slow, arduous process, with many existing owners refusing to sell their homes at lower prices even though the market-clearing price might be down 10-20% already in many locations.

Meanwhile, the NAR report showed the median selling price of an existing home rose 0.3% from a year earlier — one of the smallest advances since the pandemic housing frenzy — to \$398,000 last month. The inventory of previously owned homes increased ~5% % from a year ago to 1.29 million — the most for any February since 2020.



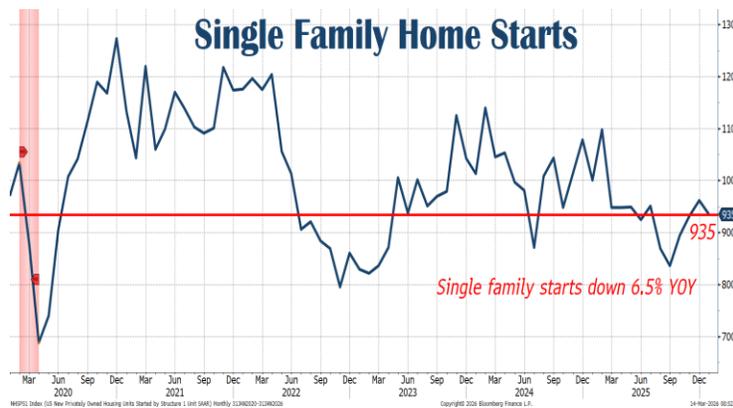
Bottom line: With the unsold resale inventory backlog up nearly +5% from year-ago levels and demand slipping -1.5%, the balance remains one of disinflation in the overall residential real estate market. This should pave the way for ongoing disinflation in this \$50 trillion asset class. So those looking for inflation outside of energy are going to have to look somewhere else.

RENTAL DISINFLATION TO CONTINUE

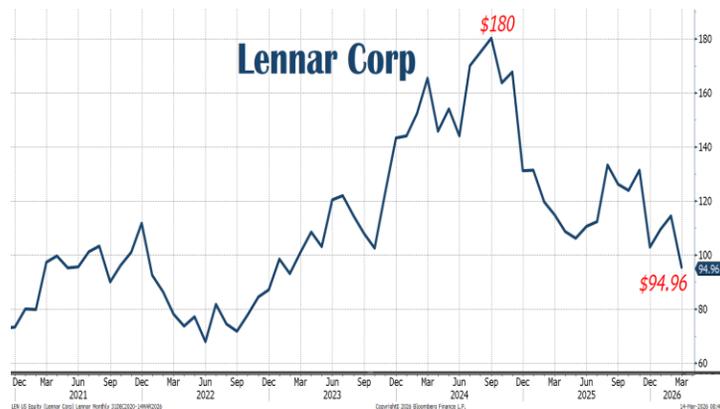
*"Our first quarter of fiscal year 2026 was defined by the same persistent headwinds that have challenged the housing market for over three years — **high mortgage rates, constrained affordability, cautious consumer sentiment, and geopolitical uncertainty, especially now including the recent conflict in Iran.**"*
 – Stuart Millar, Co-CEO, Lennar

January housing starts also bounced +7.2% month over month to an eleven-month high of 1.48 million units (annualized). One fly in the ointment was the fact that building permits, which lead starts, slumped -5.4% to 1.37 million units, which is -7.5% below the prevailing level of housing starts.

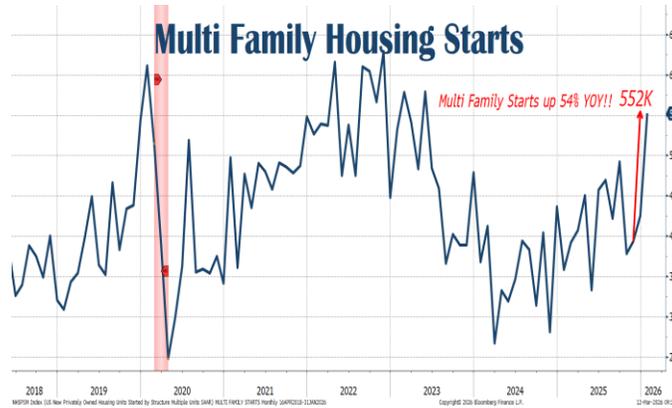
The not-so-good news for the homebuilders was that single-family starts fell to 935,000 units and are down -6.5% from a year ago. Adding insult to injury was that single-family permits dipped -0.9% after the -1.7% pullback in December (and have been down in three of the past four months).



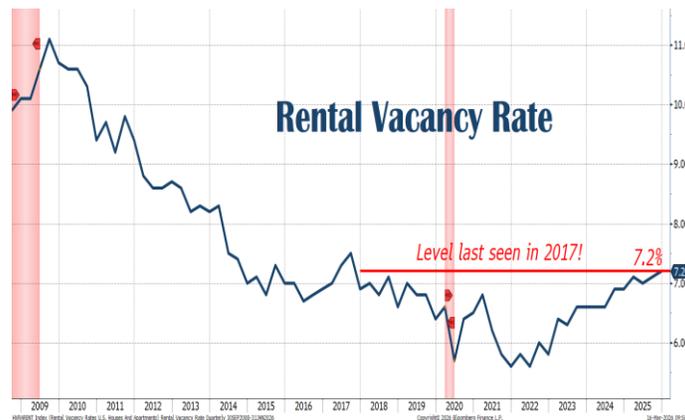
Lennar, the second largest homebuilder in the country, has seen its share price plunge by 50% from its September 2024 high and hit a new 52 week low.



Something else was weird in that housing report, as multi-family starts soared +30% in just one month (more than doubling in the Northeast)! This was the third straight increase, and at 552,000 units (annualized), it is near a three-year high and up a booming +54% year over year.



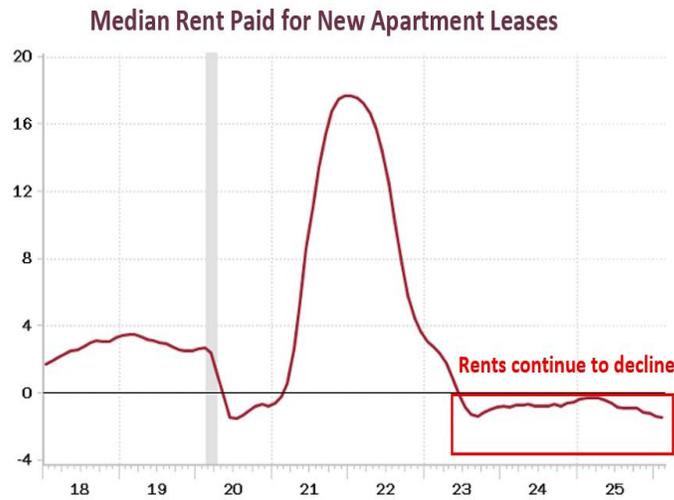
To which I say — great! And this is why. At a time when vacancy rates are elevated, the supply-demand imbalance will keep the rental components of the Consumer Price Index (CPI) and Personal Consumption Expenditures (PCE) deflator on their newly-born but visible downtrends.



A supply-demand gap is causing falling housing prices. This imbalance is also translating into the rental market, with the Apartment List’s latest report noting:

“The number of units expected to hit the market this year is still a bit above the long-run average, indicating that even as we exit the boom, supply growth remains fairly robust.”

According to their data, nationwide rents have declined by -1.5% year over year and are on a near-three-year losing streak. With starts and permits above their long-term average, this points to a potential oversupply in the market, as the projects greenlit a few years ago are not finding sufficient demand under current market conditions. The supply-demand imbalance is likely to be sustained in the near term and will feed into further disinflation ahead.



Bottom line: It is an important reminder that rental disinflation flows through to the shelter component of the CPI (over 35% of the overall index) on a predictable six- to twelve-month lag. This means that we can continue to expect disinflation over the year.

I'm still convinced that the overall disinflation path is intact (even if we get some January turbulence from insurance policy resets and energy/food effects from the war), because most of the inflation impact from tariffs has already happened and what is going to dominate in the months ahead is the disinflationary effect of lower house prices and rents.

This should transcend the near-term inflation effects of surging oil prices and is a key reason why I remain bullish on bonds.

THE DATA BOMBSHELL

In his State of the Union address, President Trump told the country:

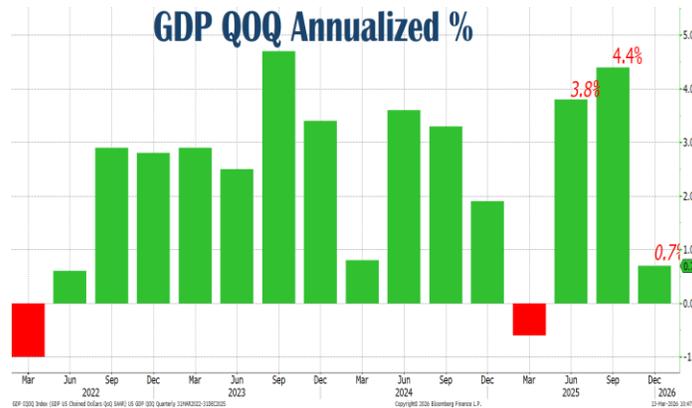
"The roaring economy is roaring like never before."

Yet the latest batch of economic data on growth, jobs, stock market and pump prices suggests that the president's roar has started to sound like a whimper.

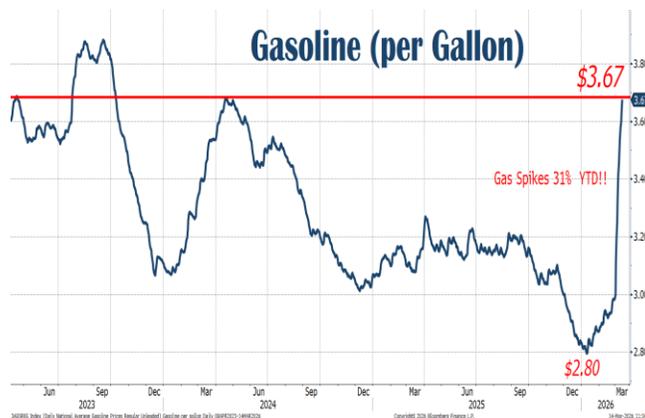
The big data bombshell last week was the sharp downward revision to the Q4 real gross domestic product (GDP) number to a minuscule +0.7% annual rate from the initial +1.4% estimate last month. And it wasn't about the government shutdown. The GDP revisions were driven WAY MORE by fundamentals versus the old narrative of "It was just the shutdown."

Consider the following:

- Nonresidential construction spending collapsed at a -7.1% annual rate and has contracted now in each of the last eight quarters. That has not happened since the 1990-1991 recession when the commercial real estate crisis was in full swing.
- Housing dropped at a -0.6% annual rate, and it has now undergone four consecutive quarters of contraction.
- Even with the AI spending boom, total capital expenditures growth in Q4 slowed to a +3.9% annual rate from +5.3% in Q3 and +8.5% in Q2.
- Personal consumption was revised lower to 2%.



Now consider that real consumer spending is running south of a +1.0% annualized rate thus far, and we have the makings of another squishy soft GDP performance for Q1. It’s a good thing the income tax refunds are coming our way because the U.S. economy is showing fatigue. Then again, the big pop in pump prices will drag on discretionary spending. All those income tax refunds will be siphoned into the gas tank.



This weak GDP report followed last week’s non-farm payroll report, which was just plain awful. February’s loss of 92,000 jobs, 86,000 in the private sector, certainly came as a surprise, but it’s a trend that’s been two years in the making.

February was bad, but it’s not just one bad month. The twelve-month average job growth now stands at only 13,000. For perspective, in 2019, the U.S. economy added an average 165,000 jobs per month. That does not portend well for economic growth and consumer spending.

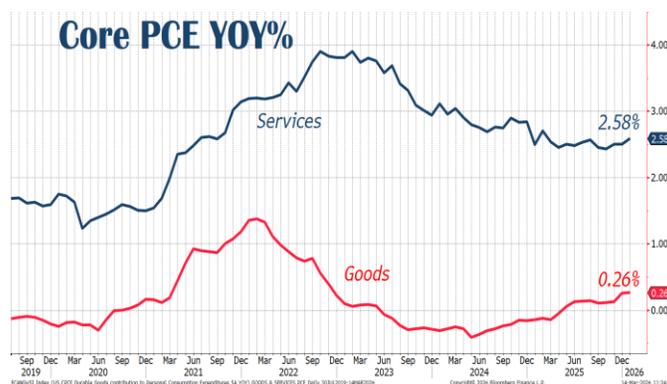
As can be gleaned from the graph below, the yearly growth in total employment has fallen from 0.8% in January 2024 to 0.1% in February 2025. (For the private sector, the decline has been from 0.6% to 0.3%.)



Meanwhile, the core PCE deflator for January came in at 0.4% month over month. That took the year-over-year trend up a tick, to +3.1% from +3.0%. The headline came in as expected as well, rising +0.3%, and the year-over-year trend due to base effects eased a touch to +2.8% from +2.9%.



Interestingly, despite all the tariffs, there was hardly any movement in goods prices, which almost flattened. It was all in services, which advanced +0.4% for the second month in a row.



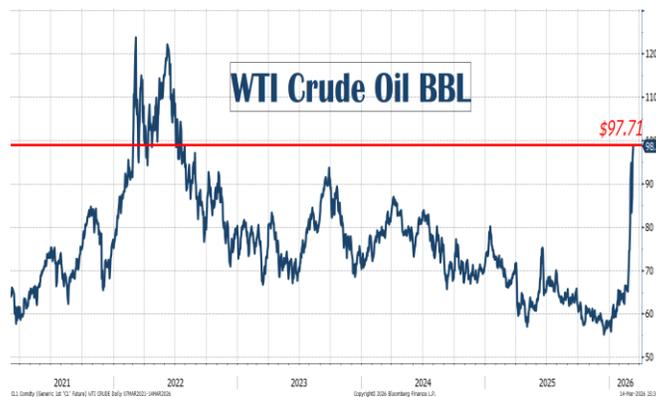
Bottom line: March PCE data is likely to be even higher. And some components (food and energy) will definitely be “spiking.” Slower growth and higher inflation is not a good combination.

MARKET OUTLOOK AND PORTFOLIO STRATEGY

"I can't work out what's worse, the oil thing or the credit thing."
 – Michael Hartnett, Chief Investment Strategist, Bank of America

Good, because neither can I.

The U.S.-Israel war with Iran has triggered a major spike in oil prices, and there is no visible off-ramp in site. A diving stock market and worried consumers are facing grim implications for unemployment and inflation across America — and around the world.



Events in the Middle East (and Washington, D.C.) will continue to drive the oil markets, and the spillovers to every other market will continue. The Strait of Hormuz disruption is a supply-side oil shock — driving costs higher while slowing growth. If the Strait of Hormuz is still shut a week or two from now, one can reasonably expect a global recession to take hold, and no International Energy Agency oil release (or from the U.S. special reserves) will prevent that from happening. **If so, the rise in oil prices may eventually prove to be a deflationary, not inflationary, event. This is one reason why Treasuries may end up being the biggest beneficiary of this chaos.**

Throw in a budding private credit crisis, and you might just have an economic disaster on the horizon. On Friday, Bank of America’s Michael Hartnett warned that this current state of affairs reminds him of, you guessed it, 2008.



This Wednesday, the Federal Reserve meets. Futures are pricing in just a 2% chance of a cut, and April is seen as a likely hold as well. Moreover, in response to the oil price shock, there are no rate cuts priced in now through the end of 2026. Meanwhile, the Fed is in a bad spot. High oil means inflation pressure, but the economy is weakening at the same time, and there's no good tool to fix both. The February jobs report showed the U.S. lost 92,000 jobs, oil is adding cost pressure across the board, and the consumer is already stretched.

While rate cuts may be delayed, they will not be derailed given the negative growth consequences, paired with the labor picture. In fact, I believe that the Fed will end up reducing rates by more than the prevailing consensus believes.

That all said, it was a rough week in the Treasury market. The bond market is concerned that higher energy prices will spread through the economy, creating a stagflation environment. This concern is best reflected in the ICE BofA Move Index, also known as the fear index for Treasuries, which has reached nine-month highs.



Treasury yields across the yield curve, including all short-term maturities, are now at or above the effective fed funds rate, indicating that, for the bond market, rate cuts are essentially not in the scenario anymore. The swaps market is now pricing in less than one full Fed easing this year, whereas two weeks ago it was leaning toward potentially three.

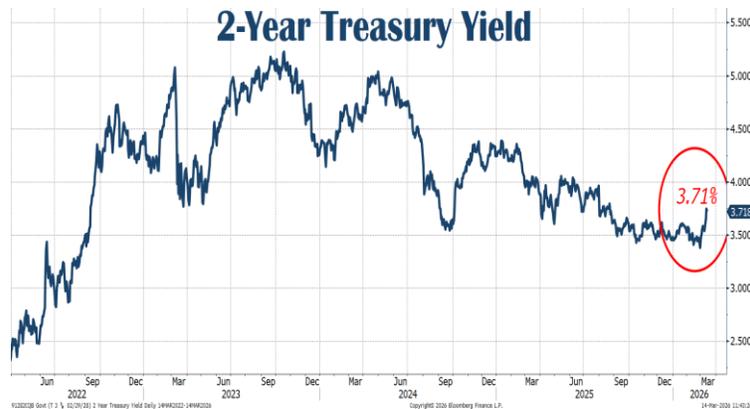
The 10-year Treasury yield rose to 4.27% by the close on Friday, the highest since early February, having risen by 13 basis points during the week. A week ago on Friday, it closed at 4.15%. The 30-year Treasury yield rose to 4.90%, the highest since September, three rate cuts ago. There was nothing panicky about this, just a grind of higher yields and lower prices.



Given the housing backdrop, I should note that mortgage rates, after declining to a smidge below 6%, have backed up sharply on the oil shock and inflationary fears. The current 30-year fixed rate is back to 6.23%, just in time for the key spring housing market.

Two-year yields, which closely track expectations for monetary policy, climbed as much as 10 basis points to 3.75%. The move pushed those yields above the fed funds rate. Obviously, the Treasury market is pushing back on Fed rate cuts this year, and the volatile backing up in bond yields could continue, but current yields look juicy to me at this time.

I believe the oil spike should be treated as less of an inflation shock — which is what markets are pricing currently — and much more of a risk-off growth shock. This might be the time when you position for that growth shock.



Bottom line: From wars to tariffs to a potential credit event to weakening growth and employment, there are a lot of crosscurrents in the market right now. In uncertain times like this, one cannot be blamed for wanting to hold excess cash reserves. However, one should not become too shortsighted. Again, don't miss the forest for the trees. Given the fast-moving developments and the distinct possibility of sharp reversals in the commodities, bonds and equities in the coming days or weeks, a more prudent approach is to ride the storm out by maintaining a risk-appropriate ladder strategy.

WHY SUBSCRIBE TO THE WRV?

There is a lot of noise in the financial world and social media about the markets and the economy. I do what I always do, block out the noise, rhetoric and bullish biases (that point to the rewards without discussing the risks) that dominate Wall Street research and, most of all, try to keep investors out of trouble. This constant analysis goes through the noise, debunks misleading headlines and makes deep dives into the financial markets and economic reality. Call me a "permabear" if you will, but I see myself more as the car mechanic who fixes your brake lights and makes sure your side-view mirrors are okay. Risks should never be ignored, and I focus on identifying them. It's what makes the *Weekly Relative Value (WRV)* unique in the marketplace. By subscribing, you will always be up to date with the most relevant economic and market trends, and most importantly, you will be aware of the key risks. To receive future issues of *WRV* in your inbox, subscribe [here](#).

MORE INFORMATION

For more information about credit union investment strategy, portfolio allocation and security selection, please contact the author at tom.slefinger@alloyacorp.org or (630) 276-2753.

As Alloya's Market Strategist, **Tom Slefinger** leverages nearly 40 years of investment strategy expertise to deliver insightful commentary on the economy and market events to optimize balance sheet performance at the credit union level. With thousands of subscribers, Tom's daily and weekly publications are widely read amongst credit union executives.

Prior to becoming the corporate's Market Strategist, Tom served as the Senior Vice President of Institutional Fixed Income Sales at Alloya Investment Services, a division of Alloya Solutions, LLC. In this role, Tom developed and managed operations associated with institutional fixed income sales in addition to developing investment portfolio strategies, identifying appropriate sectors and securities, and optimizing portfolio performance at the credit union level.

Tom holds a B.S. in business administration from the University of Maine. In addition, he holds a Series 7 and 63 through ISI.

The views and opinions expressed herein are those of the author and do not necessarily reflect the views of Alloya Corporate Federal Credit Union, Alloya Investment Services (a division of Alloya Solutions, LLC), its affiliates, or its employees. The information set forth herein has been obtained or derived from sources believed by the author to be reliable. However, the author does not make any representation or warranty, express or implied, as to the information's accuracy or completeness, nor does the author recommend that the attached information serve as the basis of any investment decision and it has been provided to you solely for informational purposes only and does not constitute an offer or solicitation of an offer, or any advice or recommendation, to purchase any securities or other financial instruments, and may not be construed as such.

*Information is prepared by ISI Registered Representatives for general circulation and is distributed for general information only. This information does not consider the specific investment objectives, financial situations or needs of any specific individual or organization that may receive this report. Neither the information nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities. All opinions, prices, and yields contained herein are subject to change without notice. Investors should understand that statements regarding prospects might not be realized. Please contact **Alloya Investment Services*** to discuss your specific situation and goals.*