### \*\*Key Takeaways from Contrarian Signals Framework Analysis\*\*

| \*\*Key Takeaway\*\* | \*\*Context\*\* | \*\*Impact Assessment\*\* |

|-----------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

| \*\*1. BB-Rated CLO Risks Underappreciated\*\* | Analysts focus on structural protections but overlook \*\*rising defaults\*\* in leveraged loans. | BB-rated CLOs face significant \*\*mark-to-market losses\*\* if leveraged loan defaults increase further. |

| \*\*2. Overvaluation of Office CMBS Senior Tranches\*\* | Analysts assume safety in senior CMBS, but \*\*structural demand erosion\*\* and refinancing risks remain. | Office-backed CMBS, even senior tranches, could see \*\*downgrades\*\* or \*\*unexpected impairments\*\*. |

| \*\*3. Aircraft ABS—A Hidden Opportunity\*\* | Improving global air traffic (6% above 2019 levels) supports \*\*strong performance\*\* in aircraft ABS. | Senior portions of aircraft ABS offer \*\*attractive yields\*\* and \*\*capital accretion\*\* with improving fundamentals. |

| \*\*4. Climate Risk Underpricing in RMBS\*\* | Localized climate events (e.g., floods, fires) pose risks to \*\*RMBS collateral valuations\*\*, often ignored. | Overlooked risks could result in \*\*regional delinquencies\*\* and unexpected \*\*valuation declines\*\*. |

| \*\*5. Subprime RMBS Delinquencies Rising\*\* | Consumer stress, especially in \*\*lower-credit cohorts\*\*, drives delinquencies amid inflation and rate pressures. | Subprime RMBS face \*\*spread widening\*\* and potential \*\*cash flow disruptions\*\* in the near term. |