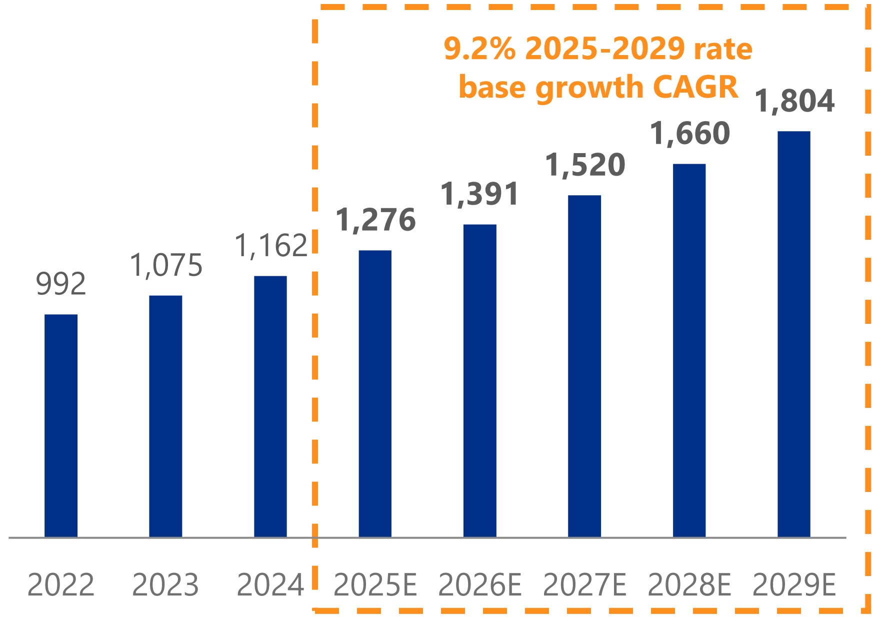
Second quarter 2026

3 reasons to own hybrid credit

1. Electric utilities are a growing opportunity set, with AI-driven growth translating into higher regulated capex, increased hybrid issuance, and improving fundamentals for utility hybrids. **Capex growth is expected to accelerate from ~6% to ~9% between 2025 and 2029.**

Access to AI-driven growth via electricity demand

Utility aggregate rate base growth (US$ B)

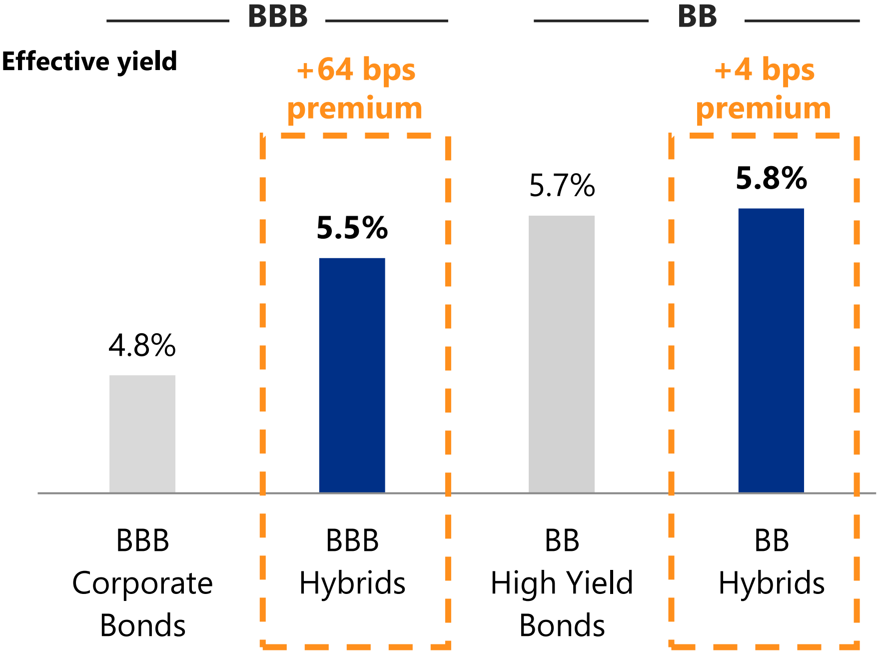


Source: Barclays. Cross Asset Research: Data Center Capex Rewiring Utility Funding: CDS Implications of More Converts, Hybrids, December 2025.

2. Relative to investment-grade and high yield corporate bonds, hybrid credit continues to command a premium for a similar credit rating: 64 basis points (bps) for BBB-equivalent debt and 4 bps for BB-equivalent.

In a tight credit spread environment, hybrids provide additional income over investment-grade and high yield

Effective yield



At 30 June 2026. Source: ICE.

BBB Corporate Bonds: ICE BofA BBB Global Corporate Index. **BBB & BB Hybrids:** ICE Large Cap Capital Securities Index. BB High Yield Bonds: **BB High Yield Bonds:** ICE BofA Global High Yield Index.

COHEN & STEERS

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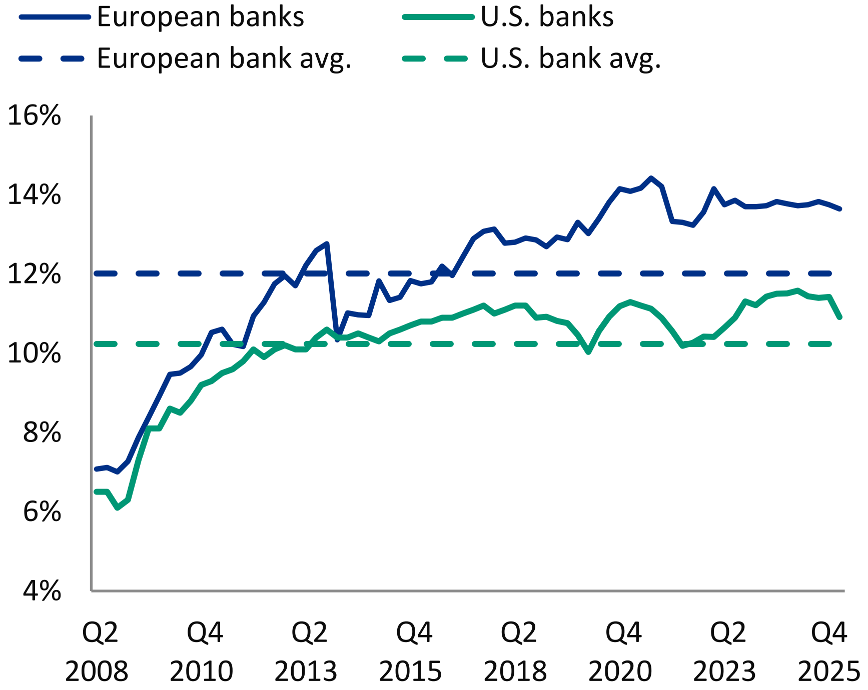
3. Fundamentals across hybrid issuers—including banks, insurance companies and utilities—remain strong. For example, global systemically important banks continue to demonstrate robust capital levels, profitability and asset quality.

Historically strong fundamentals for banks and insurance

Core capital ratios of major U.S. & European banks



At 31 March 2026. Source: Bloomberg, Cohen & Steers.

Core capital ratio is the ratio of core (common equity) capital to total risk-weighted assets. Banks must meet a minimum core capital requirement as dictated by local banking laws and regulations. Higher core capital ratios have helped to strengthen banks' balance sheets and to improve their credit quality. Core Capital ratios are based on the largest European banks: HSBC Holdings, Deutsche Bank, BNP Paribas, Crédit Agricole Group, Barclays, Groupe BPCE, Société Générale, Banco Santander, NatWest Group, UBS Group, UniCredit, Lloyds Banking Group, Intesa Sanpaolo, Credit Mutuel Group and Banco Bilbao Vizcaya Argentaria. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell or hold any particular security and should not be relied upon as investment advice. Core Capital ratios based on the largest U.S. banks including Bank of America Corporation, JPMorgan Chase & Co., Citigroup Inc., Wells Fargo & Company, U.S. Bancorp, PNC Financial Services Group, Truist Financial Group, Regions Financial Corporation, KeyCorp, M&T Bank Corporation, State Street Corporation, Fifth Third Bancorp, Huntington Bancshares Incorporated, and First Horizon National Corporation. Ratios no longer include Comerica or Synovus following the closure of acquisitions this year. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell or hold any particular security and should not be relied upon as investment advice.

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