Jennison Associates
Structured Assets Update: Insights, Opportunities, and Pitfalls
Dmitri Rabin – Managing Director, Head of Structured Products
Stewart Foley, CFA – Insurance AUM.com

Audio starts

Stewart (01:14):

Hey, welcome back. It's good to see you. One of the things that a lot of podcast hosts do is they talk about the studio they're in and everything else. And so just for whatever it's worth, our studio is located just west of Austin, Texas, in Dripping Springs, Texas. I guess we can call this the Dripping Studio, I don't know. But we've got a great podcast for you today, Investment Grade Securitized Market Update. I'm Stewart Fowley, your host, and we are joined today by Dmitri Rabin, who's a Rate and Securitized Portfolio Manager at Jennison Associates. Dmitri, you are a repeat guest. You have a BA in Computer Science and Economics with high distinction from Amherst, home of the Fighting Mammoths, and an MBA from MIT. I've heard of that school before, and you're a CFA Charter Holder. Welcome to the show,

Dmitri (02:06):

Stewart, it's very good to be back.

Stewart (02:08):

We're thrilled. I mean, we're thrilled. We love the last one, and this'll be a good one too. So can you remind us where you grew up, and we've changed our opening question a little bit. What was your first concert that you ever went to?

Dmitri (02:24):

So, as far as where I grew up as a kid, I grew up in Minsk, Belarus, then in Connecticut, and then moved to Boston and did a lot of travel for work, but never really left. So Boston has been my home now for a long time. But the first concert I went to, my dad took me to a rock and roll concert, but it was not a band that you would've ever heard of because it was a Russian band at a time when the Soviet Union was opening up and you could get rock and roll music there, but it was not the Grateful Dead that were coming through Minsk at the time. I could tell you that.

Stewart (02:59):

Do you remember the name?

Dmitri (03:00):

Yeah, it was called Quartet, which in Russian is 'Quartet'. But it was fun. I remember it being very loud. I remember as a kid thinking, "Wow, this is pretty cool."

Stewart (03:10):

Oh my God. The first one I went to, I couldn't hear for three days. I went to see Billy Squier, Billy Squier, and Pat Benatar, and Billy Squier was opening for Pat Benatar, and I didn't give a hoot about Pat Benatar. I only wanted to see Billy Squier, if I remember right. We sat in the sixth row and I couldn't hear for two days, I mean two or three days. It was crazy. My ears were ringing the next day loudly. So let's start with the agency MBS market. What's the year-to-date story, and how do you see relative value shaping up versus corporates?

Dmitri (03:45):

Yeah, let me start by mentioning how we think about the agency mortgage market and the markets in general. The way we operate as a team is that we operate very closely as a team. So we operate all the sectors in the portfolio together. We talk continuously. We're a very nimble team. And so if we think about first the way that I think about the agency mortgage market is how does it compare at any given time to ABS, both in terms of risks and in terms of opportunity, commercial real estate, and various CMBS - commercial mortgage backed securities markets, and then rates and corporates. So we're constantly doing that comparison and thinking through that. One thing that I want to mention is that if we think about insurance buyers in particular, the way I tend to think about insurance buyers and insurance clients is that their goal is to match the duration of their assets to their liabilities and then earn some level of safe spread on top of that.

(04:40):

That's sort of the game. And so some have durations which are much longer because it's life insurance, others could be much shorter. Now, mortgages within that universe, just to set the table, offer safety, right? The spread is quite safe, it is guaranteed, and that guarantee has made some headlines and some tweets around the explicit implicit guarantee of mortgages. So we'll come back to that. But the duration part is not as stable as when you buy a treasury or you buy a corporate bond, the duration part can move around. And so when we think about mortgages, we think about the spread part in terms of option-adjusted spread, meaning spread adjusted for the volatility of rates that you are likely to experience. But for an insurance buyer, there's an additional component that you really do care whether you are buying a three-year bond or a seven-year bond, and that movement can happen.

(05:32):

So from our perspective as managers for insurance clients, we also think a little bit about how we carefully manage duration, how we carefully manage the negative convexity of mortgages in a way that fits the insurance profile. So that's the first thing, kind of to set the table. Now, if we look at agency mortgages today, they've had positive excess return year to date versus treasuries, but they have not kept up with corporates. So if you look year to date, corporates versus treasuries have outperformed by about 80 basis points. Mortgages have outperformed by about 20 basis points. We can also look at the period from February through April, which is a period in the middle of which we had Liberation Day and spreads widened sharply, and that gives us some sense of the safety component, which is during that time corporates underperformed by about one and a half percent and mortgages underperformed by about half a percent.

(06:32):

So it gives you kind of a sense of upside-downside of the sector as you think about it. Now, if we think about relative value today, we think mortgages look fair to slightly attractive versus treasuries, and corporates look historically very tight versus treasuries. Now, one could say mortgages look attractive on a spread basis versus corporates in that comparison. But versus treasuries as sort of the ultimate safe spread, we think they offer some opportunities, they're fair to slightly attractive, and the positioning should reflect that. We're going to be somewhat conservative thinking, “well, there's another asset class out there that's richer, therefore we should have a big overweight position.” We try to think about it a little bit more conservatively than that.

Stewart (07:21):

Yeah, that's super helpful. I mean, it's interesting. I mean, we went through a period where rates were super, super low for a long time, and then they went up pretty significantly in a fairly short order, and that extended the duration of a lot of mortgages significantly. But I don't see a similar setup right now. I just don't mean from my view. Please tell me if you think differently, but what are the key technical drivers in the MBS market right now? And we're focused on the insurance space, but are banks and foreign buyers showing signs of life again?

Dmitri ([08:02]):

Yeah, so if we think about the mortgage market, you have the risk, like you mentioned in 2023, of extension where mortgages got longer. You also have a risk of prepayments when they shortened. So if we go back five years for a minute or a little over five years, it's hard to believe it's been more than five years since COVID. But during the period of COVID, rates fell very sharply, yields got lower, and this yields got lower mortgages shortened pretty significantly. Then we went through about a year, year and a half of extreme fed activism and bank participation in the mortgage market as the Fed was due, engaged in quantitative easing. And then starting in 2022, we saw a fairly historic rise in rates. And, simultaneously with that, the Federal Reserve went from buying mortgages to selling mortgages. So, mortgages as an asset class over these five years have weathered quite a storm in terms of the volatility that really matters to them, which is rate volatility.

([09:01]):

And today they're significantly wider than they were in 21, 22, in part because the Fed, which was the number one buyer there for a little while, is out of the market banks, which were number two or sometimes number one buyer out of the market to a significant degree. And so money managers are the largest buyers. Money managers look at mortgages versus corporates versus other assets. They don't have to buy mortgages. And so mortgages by that nature are a little bit wider than they have been. If we look at the supply-demand going forward, because the goal is to look forward, not look backwards, it actually looks much better. So with money managers as your historically widest buyer, there's potential for other buyers to come in and bring mortgages more towards their historic or inside their historic spread levels. And number one there, we think as foreign buyers, and foreign buyers actually even post liberation day, we now have some data for May.

([09:56]):

Everybody was holding their breath to see that data, and a little bit of data for June has continued to buy mortgages, both official but particularly private accounts, including Asia, including other places. So that's been a positive. And then everybody's waiting to see if or when banks are going to buy. If banks come in as a historical buyer, that really shifts the demand supply dynamic, and mortgages can tighten and outperform if they don't come in because there is an expectation in the market that banks will return. That is a little bit of a risk to the market, but we think that the risks overall are skewed slightly to the upside, to our performance, to tighter spreads.

Stewart ([10:36]):

Yeah, that's super helpful and it's interesting. I mean, I think there is some policy risk, or some would say there's policy risk in MBS. What are your views on GSE privatization and regulatory trends that might impact this market?

Dmitri ([10:55]):

Yeah, let me first say it's July 31st, 2025, because three and noon here in Boston, because a tweet can come out 30 minutes from now to just completely upset the apple cart. But we last talked in October, and at the time we were already, it was pre-election, we were already thinking about this and doing something about it. If you think about the agency mortgage market, there are three agencies which guarantee mortgages, Ginnie Mae, which is part of housing and human development within the US Treasury to some degree, and which is explicitly guaranteed by the US government. And then you have Fannie and Freddie, which historically had implicit support from the US government, but were not guaranteed. In 2008, they essentially failed and were nationalized or put into conservatorship, and treasury in that environment offered a kind of guarantee, a sort of guarantee swap line for Fannie and Freddie.

(11:55):

And so all three became sort of semi-government entities. The Federal Reserve bought all three under the assumption they're all sort of safe securities, together with treasuries. If we look today and we started thinking about this last summer, there is some potential risk that Fannie and Freddie will be privatized, and we started taking that risk seriously, especially because it wasn't at all priced into the market. And from our perspective, things are not priced on the market, the things you want to serve get to early. So in that environment, you still had some foreign selling last time, where you had some bank selling as a result, which historically traded tighter than Fannie and Freddie were actually trading at the same level or sometimes wider in certain places. And we said, "okay, well, we can sort of neutralize this risk for our clients at virtually no cost." And so we did that.

(12:47):

We started in the third quarter of 2024 to buy Ginnies and built up a position that sort of made us comfortable that if there was going to be news of privatization and Fannie and Freddie guaranteed securities, what we call conventional securities widened, we would be reasonably well positioned for that. So I think today the conversation about Fannie and Freddie is much different. The conversation about privatization is much more active. The remaining equities of the companies have been on a tear with people expecting that they will be privatized to some degree, but they can be privatized with some sort a guarantee as well. And so there's a lot of policy wood to chop to figure out where we end up. In the meantime, we think there's still some risk there. It's probably a little more priced in people are talking about and thinking about a little bit more in that environment, just being prudent, we're going to protect ourselves a little less because it's a little bit more of a known risk. It's priced into the markets a little bit more, but we still do think there's value in Ginnie Maes here. And so we still have something of an overweight to that sector for our clients for some of these reasons.

Stewart (14:02):

It's funny, Dmitri, when you're around mortgage people, structure people, and they start talking about MBS. There's always, whether people know it or not, there are assumptions, prepayment assumptions, and other sorts of assumptions about how the optionality in a given mortgage pool is going to work out. And there are a lot of things that can impact that. The geography of those pools, whatever. And there's a bit of a black art in there, right? There's an interesting thing: everybody's got their own take on what the prepayment speeds really are and whatever else. So with all that as a backdrop, where do you see the best relative value within the MBS stack today?

Dmitri (14:53):

Yeah, it is fascinating. When folks in the structure market talk, you start the discussion by saying, "well, which model do you use?" Right? Your views are pretty conditioned on. People are now starting to use AI around the world. The mortgage market has been operating with these fairly complicated models for a very long time. So I think a little bit of first background, the simpler part of it is to think about this. The

US consumers take out typically 30-year mortgages, meaning that a mortgage amortizes and pays down over 30 years. However, those mortgages are almost always and always in the case of the agency mortgage market that we're talking about, immediately prepayable: the borrower can prepay the loan at any time with no penalties. Now, what that means is that if a borrower takes out a 7% mortgage and interest rates are 7%, they're going to keep that mortgage.

(15:48):

But if interest rates move to 6% or 5%, they're probably going to refinance that mortgage. So what you refer to as kind of the art of it, yeah, that is around, well, how quickly do they do that, and what percentage does it, and how does it vary? There's also the flip side of it in today's market, because as we talked about earlier, rates went up dramatically over the last couple of years. What that means is that the average mortgage in the mortgage index is actually priced at 90 cents on the dollar, meaning it was issued at let's say 101. At the time, the thought was, well, prepaid, a quarter of these will prepay a year or something like that, right? Very roughly. And then the borrowers got a 3% mortgage, and mortgage rates went to six or seven. All of a sudden, that 25% looked more like three or 4% per year that were refinancing.

(16:40):

And so you also have to think about that. The upside and the downside here is if you have a borrower where the mortgage rate is higher than the current mortgage rate, and let's say the mortgage is priced in our market at 105 when they refinance, they refinance at par, and I lose five points. If I have a borrower that, let's say, has a Fannie three mortgage, so their mortgage rate is 3.5% or something like that, and they need to move or something happens and they need to refinance, well, that mortgage is priced around 85 and I make 15 points. So there's both risk and upside, as you think about it, in this market. Historically, we always thought about risk because mortgages were always priced at par or above, and the risk was prepayments. You are absolutely right that today the risk of rates going significantly higher seems lower than it historically has been, but there's some risk for the things that are priced at the premium that rates will go lower.

(17:42):

And in that case, they get refinanced at par and you don't get the higher coupon that you are counting on. And for insurance companies in particular, that's relevant, that's where your duration starts to move around. So with that as sort of a long setting the table, there are two things to think about in the mortgage market. The first is, are these mortgages up in coupon? And by up in coupon, we mean that the rate the borrower is paying is at or higher than where mortgage rates are today, meaning the pool is at the premium, the borrower has some ability or some option to refinance. And then you have various things that are middle or lower coupons, but you could think of 'em as priced at let's say 95 and 85 cents on the dollar. Very roughly. When we look at the market today, first, a little bit of setting the table for performance.

(18:29):

We talked about mortgages having outperformed treasuries within that sort of coupon, what we call the coupon stack of lower versus higher mortgages. The higher coupon mortgages have outperformed dramatically more. So those may have outperformed the index, outperformed by 0.2, 0.3%. Those may have outperformed by three-quarters to 1%, and the lower price mortgages have actually underperformed, sometimes underperforming treasuries by about half a percent. Now, all of that is subject to models and how you're hedging and what you think the correct duration was to begin with. But generally that's been the trend. So with that, if we met three months ago, I would say, look, it's a no-brainer: higher coupon, what we call up in coupon, mortgages look more attractive, and that's where you want to be overweight. If you look today, it looks a lot fairer and some of the longer duration, lower price mortgages, which might be actually more interesting for an insurance company because there you don't have as much duration volatility, right? Because you're pretty far out of the money. If you have a 3% mortgage, if rates fall half a percent of percent, you still have a 3% mortgage, you're not going anywhere.

Stewart (19:40):

I mean, it's interesting because they're almost like, I don't know if this term is still used, but the term used to be museum piece, they become museum pieces where people just hold 'em forever because it's an attractive, because of the characteristics that you're talking about. When a mortgage is that far out of the money, the negative convexity kind of goes away. And so you're not sensitive to prepayments because as you mentioned, even a hundred-basis-point move down in rates would not make that refinanceable. So great point. I mean, just one thing I want to just so that sometimes we get to talk in jargon and I lose sight of the fact that not everybody's neck deep in this. So can you explain the coupon stack just in real simple terms so that folks know what we're talking about when we say coupon stack?

Dmitri (20:36):

Yes. When a borrower gets a mortgage, and let's assume they go out and they get a 7% mortgage today, those mortgages get pulled together and issued as a security, Fannie, Freddie, or Ginnie. And before they're issued, there's a certain amount of kind of service and costs and other costs which are taken out. So the coupon comes down, and those 7% mortgages are likely to be issued today as a 6% coupon. So what I see in the market, what investors in the mortgage market see is a set of loans pulled together guaranteed by Fannie, Freddie, or Ginnie with a 6% fixed coupon.

Stewart (21:15):

And that fixed coupon, that kind of the standard rate there is dependent upon the prevailing level of mortgage interest rates at the time those loans were made. Right?

Dmitri (21:28):

Exactly.

Stewart (21:29):

And so what is it? Is it by half a percent steps? Is it Fannie fours, Fannie four, and a halfs Fannie fives? Is that the step, the interval?

Dmitri (21:41):

That's exactly right. So they are half a percent steps. And today it used to be that we thought about, okay, there's a three and a half or four and a four and a half, and that was the universe because rates went so low in 2020, where people and good for consumers got two and a half percent mortgages, and now they've gone relatively high where it's seven, 7.5%. Today, when we're talking about the coupon stack, we start with a Fannie one and a half, so a one and a half percent coupon, and then we go two, two and a halfs all the way to seven and seven and a half. So we, as mortgage investors, have a much broader universe of securities to choose from. And the big difference is if you are at a premium, you have some prepayment risk, you are getting more spread, but it's more likely that your mortgage gets called away. So if rates drop by a hundred basis points, a lot of the borrowers will refinance.

Stewart (22:39):

Yeah. I need to stop ad-libbing here. I'm sorry. So switching gears to ABS, what's attractive now, and is there anything in your mind that's flashing red?

Dmitri (22:52):

Yeah, so in the ABS market, we're very active in that market. We think about it versus mortgages versus corporates versus treasuries. Very holistically. The things we like in the ABS market is AAA, traditional ABS. So that's cars, auto equipment, where you are getting some spread, very safe spread versus treasuries, and you're getting almost all of the spreads of corporates because corporates have been so tight. Now, that part of the market lives mostly in the two to five-year part of the curve. There's not a lot of ABS that's being issued that's longer than that, most of which you buy is two and a half years at the AAA level. We've liked it historically, and we really like it today. One of the things that we thought about is when liberation day happened and there was concern, well, this might not be good for the consumer, this might not be good for the producer, but on the other, if you have a auto loan that was issued when the car was priced at $30,000 and you're pretty sure that that car is going to be priced at 36 six months from now. That's actually a very, very good asset.

(23:58):

The quality of that asset actually improves, whether it's a loan or a lease, the consumer is going to want to hold onto that car. So in that environment, we felt very comfortable adding risk as those headlines were dropping and adding throughout April and May, adding a decent amount, particularly of auto ABS. So that to us continues to look interesting. Now, if I go forward six months, and what's going to be bundled in those securities is going to be the post-tariff loans at a higher price, we'll need to think a lot harder about how that's going to work. So that's sort of in terms of what we like. In terms of places where we're cautious and have been for a few years, we don't love subprime auto. When we look at the performance since 2022, it is surprisingly close to the performance in 2008, and we're not in the 2008 type of economic environment, thankfully.

(24:54):

So for those of us who are there in 2008, like you and I, and can compare, we can say, well, that's really weird that losses are approaching those types of levels. In the prime model, losses are still much, much lower than they were in oh eight, right, on a kind of ratio basis. But when we look at the consumer together, when we look at it, it's not flashing red, but it is flashing yellow to say, well, if I look at the average consumer, yes, consumers are still spending particularly higher income consumers, but if I look at the average consumer who owns a car, which is sort of the very median US American consumer and I think about how they're performing, they're not performing like the unemployment rate is four, four and a half percent. They're performing more in line with a 6.5% rate of unemployment when you look at the losses that they're generating. And that gives one kind as you think about buying riskier things than AAAs or riskier parts of the corporate market, it doesn't form our stance and how we think about the world in general.

Stewart (25:57):

That's super helpful. So, last topic here, CLOs and CMBS, let's hit those quickly. I mean, what's your take on the risk-reward in these sectors, especially given how much insurance company interest there has been, particularly in CLOs?

Dmitri (26:15):

Yeah, let's go through those two and also the non-agency RMBS sector. Now I'll give kind of very brief thoughts on each one. So starting with the CMBS market, the commercial real estate market, we're cautious. There's a lot of demand when we look at the quality of underwriting, we're not thrilled. The trends post 2008, if you look at the amount of losses within this structure has been much higher than rating agency assumptions. And we see a lot of borrower-friendly features going into deals at a time when, with these high rates, borrowers are really struggling to refinance and they're struggling to pay the higher rate when their loans come due. So we're pretty cautiously positioned. Occasionally, we see things in the AAA market we like and CMBS, but it's rare. CLOs, we know that they're highly used insurance companies. They're not a significant sector for us.

(27:08):

And the thoughts, there're twofold. CLO is made up of leveraged loans, which are a form of low-rated single B, double B, sometimes triple C-rated corporates. So the correlation to the corporate market, when we get together and we're put together, the portfolio is actually very high. Now, if we think that the corporate market is relatively tight and we think that the people who could be investing in the buying issuing in the corporate market instead are issuing via the levered loan CLO complex, right? And they're having options access to both. They have access to the high-yield market to various private credit markets, they're finding this is the most advantageous market for them to issue. That raises some questions for us about whether or not the ratings are comparable and whether or not the risk is appropriate. The last one is the non-agency RMBS market there.

(28:00):

Performance post-2008 has been excellent, right? Issuance. If you think about jumbo prime or investor, even the non-qualified mortgage sectors, we've had very, very strong performance. Now, the flip side of that is there are some convexity costs as we talked about earlier. The borrowers, again, can prepay and you need to price that in. And when you price that in, sometimes they're attractive versus agency mortgages, sometimes they're not. We actually think that there's some attractiveness there right now. Now, with that being said, you started the conversation by saying you're right outside of Austin, Texas, and being a mortgage person, when I think Austin, Texas, well, wherever a person tells me, I think, well, okay, what's the home price? What's the price to rent? Where are we? Right? So Austin, Texas, has actually had a bit of a correction in its housing market. It got quite hot around 2016, 18, then COVID sort of another leg up, and now it's probably five to 10% down from its peak.

(28:58):

And one of the things that we are seeing and we're thinking about a lot is that there are other areas which are following that with a little bit of a lag. Florida is starting to see negative home prices. Texas, in general, starting to see negative home prices. The southeast is a little bit behind, but Georgia, the Carolinas, and then California and Nevada, and Arizona, a little bit behind that. Across all of those years, the Northeast and the Midwest so far are continuing to appreciate. But if we're going to see lower home prices, that is a real issue for the consumer and a real issue for the US economy. Now, if we think about it in the mortgage context, it worsens the credit slightly, but nowhere near enough to really cause problems at the AAA level. But it probably improves the convexity a little bit because it's a little bit trickier for borrowers to refinance as rates potentially come down, but their house has gone down in value as well. So in that type of an environment, being in AAA, RMBS, and agency mortgages starts to look a little bit more attractive on the margin as we think about some of these issues. But that's probably the thing that's different today than six months ago and is developing pretty closely and it's worth watching very closely.

Stewart (30:13):

I mean, just as a reminder, convexity measures call risk. So the lower the convexity, the higher the call risk and vice versa. And it's been a really great education on structure. Really appreciate you being on, Dmitri. A couple of quick ones on the way out the door. The first one talks about really the culture at Jennison Associates and Jennison is not necessarily, maybe not a household name for everyone, but can you talk to us a little bit about what characteristics are you looking for in people when you are adding to your team there?

Dmitri (30:53):

So Jennison has been around as part of the Boston Fixed Income scene since the 1970s, in the fixed income space, and has had tremendous continuity in terms of some of this culture, but the culture has been served. Small teams, very, very focused on client performance, and in terms of people that we look at in order to do that, it's people who like rolling up their sleeves and doing the work. So everybody on the team, I oversee the structured area, I model a lot of my own things over drinks, or I can talk you through all the models that we're using and exactly how they need to be tuned and how they need to be operated. Likewise, my traders are neck deep in all of the credits that we're looking at. On the credit side, the PMs do their own work. So the first thing that we look at is people who are both capable but also really excited, even in the later stages of their careers, that they become more senior to get their hands dirty and continue to be really involved in the idea part of the investment process and evaluating credits and modeling things, and arguing about interest rates. I think number one is that interest in staying involved in the details of the investment process.

Stewart (32:12):

That's super helpful. So I want to change up our closing question just a little bit. And the reason is that, for whatever reason, today I'll be 61 in a couple of months, and I've been at this for a long time. I started managing money for insurance companies when I was 30. I was hired as the CIO of a small insurance company. And as I look back over my career, and I've had the privilege of teaching a lot of really talented young people when I was a professor, when you walked out of undergraduate school from Amherst and you ran into Dmitri Rabin today, what would you say to your 21-year-old self?

Dmitri (33:05):

Yeah, and to help sort level set this for people. Stewart is 61. I turned 48 yesterday, so happy. Happy gives you a sense. Happy birthday. Thank you. Happy gives you a sense. So about

Stewart (33:16):

Happy. Yeah, I could almost be your dad. What the hell? Dmitri

Dmitri (33:21):

About 25 years separates, 26 years, separates that Dmitri from this Dmitri. And I think your question is about advice, right? What advice would I give my 22-year-old self?

Stewart (33:31):

A hundred percent.

Dmitri (33:32):

The one thing that I believe then, that I believe now, that has served me well is to look for working with smart people. Look for working with people where you are able to learn from them every day and every part of your career. I've worked in consulting here in Boston at BCG. I've worked on the hedge fund side of the business. I've worked on the money management side of the business. To me, the number one test is: do I think I will know something tomorrow that I don't know today? And there are people around me who can push me and can continue to educate me. And on the flip side, are there people around that I can teach in terms of the next generation, and like you, I've taught at BU here in Boston, so being involved with young people in finance is super interesting. So that's probably the number one.

(34:17):

The number two would be, so I came out of college in 99, so as you can think about 2000 market crashes right around the corner. Then, 2008 came not that late. I think those of us who came from that environment, I would tell myself own more equities despite everything because that was a period where if you came out and you had those two experiences as your kind of formative experiences, be curious, but also be ready to kind of comfortable taking risks through the markets. The thing that I know now is also to be cautious. Know when the market looks like it's looked before. Today, the market to me, and I'm always thinking markets, feels a lot like the 2000 market. It doesn't feel like pre-2008, it feels like 2000. A lot of excitement about new technologies, equity markets making new highs every day, those types of things. But I think long-term, it pays to be both cautious and optimistic, and that's probably the balance that I would want young Dmitri to kind of strive for.

Stewart (35:21):

I love it. I've really enjoyed having you on Dimitri. Thanks so much. I really appreciate you taking the time.

Dmitri (35:28):

Thank you. Thank you for having me.

Stewart (35:29):

My pleasure. We've been joined today by Dmitri Rabin, Rates and Securitized Portfolio Manager at Jennison Associates. Please rate us, like us, and review us on Apple Podcast, Spotify, or wherever you listen to your favorite shows. Please check us out on our new YouTube channel at Insurance AUM community. We are the home of the world's smartest money at InsuranceAUM.com.

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