WEEKLY COMMENTS ON CREDIT

19 APRIL 2024

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GLOBAL MARKET SUMMARY

Global bond yields remained close to the highs of the year as incoming U.S. economic data showed ongoing strength. The economic news followed the unprecedented strikes on Israel by Iran over the weekend, which briefly pushed oil prices higher. In the Eurozone, comments from European Central Bank (ECB) policymakers continued to indicate that the ECB easing cycle could begin in June, as long as inflation continues the improvement seen over recent months. Spreads across major credit sectors widened and total returns were negative. The U.S. dollar advanced against the euro and the average spot currency performance in emerging markets was negative for the week.

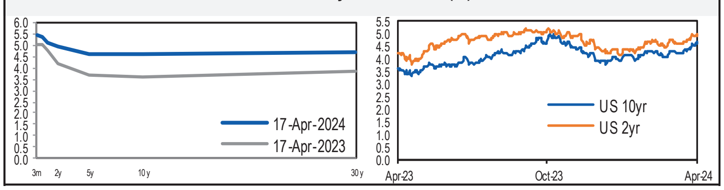
Emerging Markets

Index	Current Level (bps or %)	12 mos Change Spread or Yield (bps or %)	Weekly Change (bps)	12 mos Total Return
EMBI GD	346		23	8.89%
EMBI GD IG	116		13	0.39%
EMBI GD HY	615		36	18.32%
Africa	623		52	23.25%
Asia	191		21	7.25%
Europe	380		24	9.92%
LATAM	324		15	8.97%
Middle East	294		25	1.48%
CEMBI BD	227		14	7.39%
CEMBI BD IG	124		8	4.65%
CEMBI BD HY	420		25	11.44%
GBI-EM GD (%)	6.54		14	1.91%
EM Blend (%, 1/3rd ea.)	7.42		19	6.06%
EMBI ESG	302		20	7.31%
CEMBI ESG	233		15	7.69%
GBI ESG (%)	6.59		15	2.38%
		-400 -200 0		Apr-23 Oct-23 Apr-24

Developed Markets

Index	Current Level (bps or %)	12 mos Change Spread or Yield (bps or %)	Weekly Change (bps)	12 mos Total Return
US HY	329		37	8.55%
US HY BB	207		31	6.82%
US HY B	297		35	8.89%
US HY CCC	784		70	12.36%
Pan Euro HY	351		41	9.47%
CS Loan (%)	9.71		9	11.85%
		-300 -150 0 150		
US Treasury 7-10 (%)	4.59		2	-3.38%
1M LIBOR (%)	5.43		0	5.45%
US Agg	41		2	-0.05%
US IG Corp	93		6	2.20%
Global Agg	40		2	3.12%
		-150 0 150		Apr-23 Oct-23 Apr-24

US Treasury Yield Curve (%)



Other Asset Classes
(12 mos Total Return)

	Level	Currency Return vs USD		Level	Commodities		Level	Equities
EURUSD	1.07	-2.32%	Gold	2,388	13.08%	S&P500	10,919	22.87%
USDJPY	154.39	-12.91%	VIX	18	7.43%	MSCI World	10,279	17.88%
EM FX		-4.42%	Brent	87	2.98%	MSCI EM	2,628	3.99%
		Apr-23 Oct-23 Apr-24			Apr-23 Oct-23 Apr-24			Apr-23 Oct-23 Apr-24

As of: 17 April 2024. Source: Bloomberg, Stone Harbor Investment Partners. For illustrative purposes only. See disclosures at end of material for additional information.

United States

Global bond yields remained close to the highs of the year this week, as bond investors looked through rising geo-political risks in the Middle East and focused on the on-going strength in the U.S. economy. U.S. retail sales data for March posted strong gains, with February data also revised higher. The control portion of the retail sales report — which closely correlates with the consumption data in the GDP report — rose by over 1% from February, boosting forecasts for first and second quarter GDP reports in the U.S. The economic news followed the unprecedented strikes on Israel by Iran over the weekend, which briefly pushed oil prices higher. However, the threat of escalation of the conflict between Iran and Israel appeared to recede somewhat over the course of the week. Meanwhile, comments from monetary policymakers turned somewhat more hawkish in response to the lack of progress on bringing down inflation recently in the U.S. Cleveland Fed President Loretta Mester indicated that she felt the Fed should be in no rush to reduce interest rates, and that they would need to see more data to gain confidence that inflation was moving back towards the 2% target. Market pricing is currently consistent with just two rate cuts by the end of the year, compared with as many as six being priced in at the beginning of this year. Ten-year Treasury yields rose modestly over the week to 4.59%.

Europe

In the eurozone, signs of some bottoming-out of the weakness in the economy continued. February industrial production rose by 0.8% on the month, and the year-on-year decline improved marginally to 6.4% after a 6.6% decline reported in January. The ZEW expectations survey for the Eurozone rose to 43.9 in April, up from 33.5 in March, and the highest level since early 2022. Comments from ECB policymakers continued to indicate that the ECB easing cycle could begin in June, as long as inflation continues the improvement seen over recent months. German bund yields were little changed over the week, with the 10-year closing at 2.47%. March inflation data in the U.K. showed some improvement from February, with the headline rate slowing from an annual 3.4% in February to 3.2%. However, this decline was smaller than market expectations, prompting a larger repricing in the U.K. gilt market, with 10-year yields rising by 11 basis points (bps) to 4.26%. Market pricing implies that the Bank of England is now expected to begin its easing cycle in September.

Asia/Japan

Japanese bond yields also edged higher this week. Economic data surprised on the upside, with Core machinery orders posting an 8% increase in February, and the tertiary sector activity index rising by 1.5% for the same month. The Japanese yen continued to weaken on the foreign exchanges, however, hitting new 30-year lows during the week, as threats of intervention to support the currency have failed to materialize. The Bank of Japan is now expected to hike rates further this year, as the weakness of the currency will likely lead to further rises in inflation. Ten-year Japanese Government Bond yields rose by 8 bps to 0.88%, up from around 0.60% at the beginning of this year, and two-year yields also rose to 0.28% — the highest level since 2009.

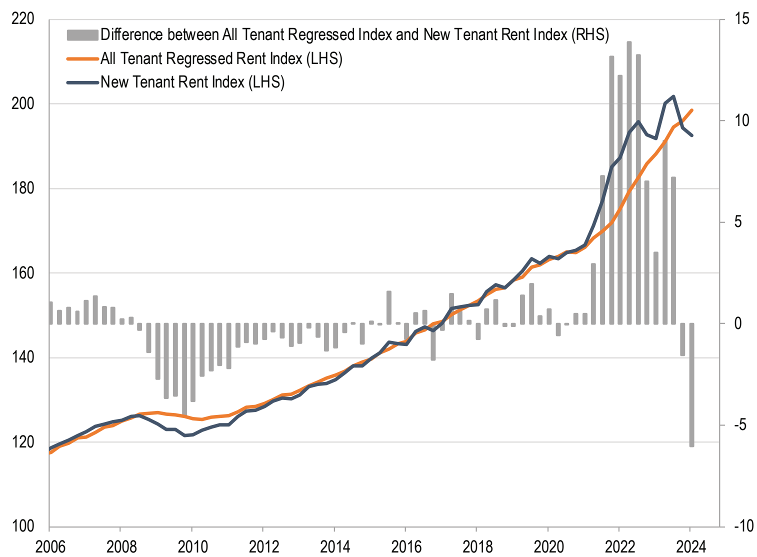
Economist Corner

Housing reacceleration, or perhaps better phrased as a lack of further deceleration, has been a key factor in the inflation disappointments so far in 2024. Owners' equivalent rent (OER) has increased from a 3-month annualized pace of 5.4% in December to 5.9% in March. The rent index has still declined, but a somewhat less rapid pace. (To be clear, these aren't the only inflation disappointments in CPI: other services prices have also been well above rates from the back half of last year. But they are meaningful.) Indeed, last week we highlighted the difference between U.S. and Eurozone inflation as key in diverging Fed and ECB outlooks. That behavior of housing, which doesn't show up in the same manner in the main measure of European inflation, is one of the key drivers of that divergence.

This week saw a somewhat under the radar series that points toward the Q1 backsliding as probably being temporary. The BLS and Cleveland Fed have a relatively new quarterly series on new tenant rents. This series attempts to measures what's happening with newly signed leases rather than all leases, as the rent and OER series in the CPI and PCE are designed to do, though they also calculate a companion series that is closer to those. New tenant rents dipped slightly after a relatively large decline in Q4 and has now dipped notably below the overall index. Such a dip hasn't happened since Q3-2008 and preceded a period of very subdued housing cost growth.

Of course, this being economics, there are caveats. These are two relatively new series and what we've seen so far shows that most recent quarter of data can see quite substantial revisions. But it's another signpost, along with private sector rent measures, that points in the direction of the Q1 disappointments in housing inflation being temporary.

NEW RENTALS SEEING RENT MODERATION



As of 31 March 2024
Sources: BLS, Haver, Stone Harbor Investment Partners
For illustrative purposes only.

External Sovereign Debt

External sovereign debt spreads widened 23 basis points (bps) this week and the JP Morgan EMBI Global Diversified returned -1.5%. Investment grade bonds outperformed non-investment grade bonds with total returns of -1.2% and -1.7%, respectively. The top performers included Ecuador (+2.1%), Argentina (+0.5%), and Tajikistan (+0.1%). The bottom performers were Sri Lanka (-4.8%), Ghana (-4.5%), and El Salvador (-4.2%).

Local Currency Debt

The JP Morgan GBI EM Global Diversified returned -2.3%. EM currencies returned -1.7%, in aggregate. The Dominican peso (+0.1%) outperformed, followed by the Chinese yuan (-0.0%) and the Czech koruna (-0.4%). Underperformers included Brazil (-3.3%), Poland (-2.9%), and Mexico (-2.8%).

The yield of the JP Morgan GBI EM Global Diversified increased by 14 bps to 6.54%. Uruguay (-8 bps) outperformed, followed by China (-3 bps) and Serbia (+1 bps). Turkey (+74 bps), Brazil (+30 bps), and Hungary (+28 bps) underperformed.

In monetary policy, Kazakhstan left rates unchanged in a surprise hold at 14.75%. They had been expected to cut 25 bps to 14.50%. Serbia left rates unchanged at 6.50%, as expected. In Latin America, Peru surprised the market with a 25-bps cut to 6.00%. They had been expected to hold.

EM Corporate Debt

The JP Morgan CEMBI Broad Diversified returned -0.5% this week and spreads widened 14 bps. EM Corporates outperformed both U.S. High Yield Debt (-1.0%) and Emerging Market Sovereign bonds (-1.5%). Non-investment grade bonds underperformed the index with -0.7% returns, while investment grade bonds outperformed with -0.4% returns. Asia (-0.2%) and Africa (-0.4%) performed better than the index, while Middle East (-0.8%), CEEMEA (-0.7%), Latin America (-0.7%) and Europe (-0.6%) underperformed the index. The top performers included Papua New Guinea (+2.8%), Madagascar (+1.0%), Costa Rica (+0.5%), and Honduras (+0.2%). The bottom performers include Israel (-1.8%), Kazakhstan (-1.4%), Ukraine (-1.4%) and Saudi Arabia (-1.2%). In terms of sector performance, Real Estate (-1.0%), Oil & Gas (-1.0%) and Consumer (-0.8%) lagged index returns, while Financials (-0.2%), Diversified (-0.2%) and Infrastructure (-0.2%) outperformed the index.

Issuance

In EM corporate debt, we highlight two deals in the primary market: Korea's KEB Hana Bank priced dual tranche, 3- and 5-year sustainability bonds at T+70 and T+78 bps, respectively, each worth roughly US$300 million; and Turkey's VakiBank priced a US$550 million Additional Tier 1 bond at 10.125%

Sovereign Soundbites

ARGENTINA

Last week, President Javier Milei's government submitted a revised version of the original omnibus reform bill in hopes of gaining support from lawmakers. Political relations between the president with congress and the governors remain critically important as Milei's administration attempts to get a reform package passed. Among the pillars of the bill are plans to privatize state entities and measures that would help reduce state subsidies. The most important issues for bond investors are those pertaining to further fiscal adjustment, which in turn will help secure IMF funding, in our view. Recent discussions with the IMF indicate strong support of the government's economic program, with emphasis on the need for building political support to pass legislation and reinforce governability. The bill is expected to go back to congressional committees as early as next week before a new round of voting. It eventually needs approval by both chambers of the legislature.

In terms of recent economic data, Argentina's inflation increased by 11% m/m in March, slowing from 13.2% in the prior month and falling below market forecasts of a 12% increase. The biggest price drops were seen in transportation, restaurants and hotels, food, health, housing and utilities, among other categories. Offsetting some of the improvements were price increases in education and clothing and footwear.

BRAZIL

Brazil's government announced earlier this week plans to reach a balanced primary budget, having previously signaled a primary surplus of 0.5% of GDP. The budget guideline proposal, with the revision of 2025's primary target, will be sent to Congress on 22 April. The revision follows a recent comment from the National Treasury indicating the need to increase revenues by 1% of GDP next year to deliver a 0.5% primary surplus in 2025. The announced adjustment was largely unsurprising, in our view, as President Luiz Inacio Lula da Silva's administration maintains the path of increased spending. We also acknowledge that the credibility of fiscal consolidation relies on uncertain revenue growth. However, on the positive side, we note that Brazil's growth remains broadly stable, real rates are high and trade balance is at record highs, allowing the central bank to continue cutting interest rates.

CHINA

China's 2024 Q1 GDP growth came in at 5.3% y/y, exceeding market expectations of 4.8% y/y. Better-than-expected q/q growth, as well as revisions to the fourth quarter growth contributed to the positive outcome. The biggest upside surprise was in fixed asset investment, which picked up to 4.5% y/y in 1Q24 from 4.2% y/y in the first two months of the year. Retail sales growth continued but at a more moderate pace. On the other hand, service output growth slowed to 5% y/y in Q1 vs. pre-pandemic trend of above 7%, and the property sector showed clear signs of ongoing challenges. Monthly activity data also suggest that the growth momentum may have slowed towards the end of the first quarter, following the robust growth in the first two months of this year. As an example, industrial production came in below expectations, rising 4.5% from a year earlier, and below the 6.0% forecast.

GHANA

IMF staff and the Ghanaian authorities reached staff-level agreement on the second review of the 36-month Extended Credit Facility program. According to an IMF press release, most quantitative objectives were met, and key reforms were implemented. IMF noted particular progress resulting from strong policy measures, including better economic growth, disinflation, and better fiscal and external positions. The critical next step for Ghana's completion of the review is to reach an agreement on a Memorandum of Understanding for a debt treatment with its official bilateral creditors. Ghana will have access to about US$360 million in financing once the review is approved by IMF Management and formally completed by the IMF Executive Board.

In related news, Finance Minister Mohammed Amin Adam indicated this week that debt restructuring negotiations with bondholders are still ongoing and that further adjustments are required to bring the agreement in line with IMF program parameters. To meet the IMF preconditions, Ghana would need to reduce debt to 55% of GDP by 2028, but the latest agreement includes debt level that exceeds the IMF target. We will be monitoring the extent to which Ghana's improving economic performance may have an impact on IMF program guidelines.

INDIA

Following the sharp upside surprise in 4Q23 GDP at 8.4% vs expectations of 6.6%, growth outlook remains robust, with fiscal year growth currently anticipated to be in the 6.5%-7.0% range. Data released this week also indicates that India's industrial production remains firm, growing for a third consecutive month and led by strength in infrastructure and consumer durables.

Against the solid economic data, attention has turned to politics. Elections begin this week and will conclude in seven weeks. Recent opinion polls suggest that Narendra Modi's BJP coalition (NDA) will comfortably retain a majority, securing a third successive term in government. While we may see near-term volatility as the election process unfolds, a longer-term implication is policy continuity, in our view.

SRI LANKA

Sri Lanka's debt restructuring talks stalled this week as the government rejected bondholders' proposals, citing disagreement with bondholders' baseline assessments and a lack of a contingency plan in the case of continued economic weakness. Sri Lank also disagreed with the proposal to link payments to the country's macroeconomic growth through macro-linked bonds. This week's development — while it does carry the potential of delaying the next IMF disbursement — is playing out in the context of continued IMF support and improving economic conditions. Sri Lanka's inflation has moderated to 0.9% in March and its currency strengthened 7.6% so far this year. The economy is expected to return to growth after contracting 2.3% in 2023. A restructuring deal with bondholders and the subsequent IMF Board approval of the second review of the Extended Fund Facility program would allow for a US$337 million disbursement, taking total IMF support to around US$1 billion. We note that the lag between staff agreement and board approval of the first review was just under two months.

VENEZUELA

Early Thursday, the U.S. announced that oil sanctions on Venezuela would be reimposed, thwarting hopes for a last-minute resolution ahead of the 18th April sanctions relief expiry. The oil companies now have 45 days to wind down their business and operations in Venezuela. According to U.S. officials, President Nicolas Maduro's administration had breached the agreement to allow the opposition party to present a candidate of their choice. The partial sanctions relief had given Venezuela's government an additional US$740 million in oil sales from October until March, according to an estimate from Eduardo Fortuny, head of Caracas-based consultancy Dinamica Venezuela. Select U.S. authorizations unrelated to the license will remain intact, including permission given to Chevron to sell oil in the U.S. that is derived from its Venezuela join ventures.

Chart of the Week

Some members of our investment team are attending the IMF meetings in Washington D.C. this week.
We will resume with *Chart of the Week* next week.

As of 17 April 2024		Spread or Yield Change (bps or %)						Total Return (%)				
		Level	1W*	MTD	QTD	YTD	LTM	1W	MTD	QTD	YTD	LTM
EM	EMBI Global Diversified	346	**23**	5	5	(37)	(131)	**(1.5)**	(2.1)	(2.1)	(0.1)	8.9
	CEMBI Broad Diversified	227	**14**	(4)	(4)	(54)	(103)	**(0.5)**	(1.0)	(1.0)	1.3	7.4
	GBI EM Global Diversified Yield	6.54	**0.14**	0.27	0.27	0.35	(0.13)	**(2.3)**	(2.7)	(2.7)	(4.8)	1.9
EM Sovereign Debt	EMBI Global Diversified	346	**23**	5	5	(37)	(131)	**(1.5)**	(2.1)	(2.1)	(0.1)	8.9
	EMBI GD Investment Grade	116	**13**	(0)	(0)	(1)	(24)	**(1.2)**	(2.5)	(2.5)	(3.3)	0.4
	EMBI GD High Yield	615	**36**	8	8	(86)	(275)	**(1.7)**	(1.7)	(1.7)	3.1	18.3
EM Sovereign Debt Regions	Africa	623	**52**	18	18	(111)	(325)	**(2.5)**	(2.4)	(2.4)	4.1	23.2
	Asia	191	**21**	7	7	(21)	(114)	**(1.3)**	(2.2)	(2.2)	(0.9)	7.3
	Europe	380	**24**	3	3	(66)	(223)	**(1.3)**	(1.7)	(1.7)	(0.3)	9.9
	LATAM	324	**15**	(4)	(4)	(42)	(117)	**(1.2)**	(2.0)	(2.0)	0.2	9.0
	Middle East	294	**25**	13	13	1	(27)	**(1.5)**	(2.5)	(2.5)	(2.6)	1.5
EM Corporates	CEMBI Broad Diversified	227	**14**	(4)	(4)	(54)	(103)	**(0.5)**	(1.0)	(1.0)	1.3	7.4
	CEMBI BD Investment Grade	124	**8**	(6)	(6)	(30)	(66)	**(0.4)**	(1.2)	(1.2)	(0.2)	4.6
	CEMBI BD High Yield	420	**25**	(3)	(3)	(90)	(135)	**(0.7)**	(0.7)	(0.7)	3.5	11.4
US High Yield	US High Yield	329	**37**	30	30	6	(112)	**(1.0)**	(1.7)	(1.7)	(0.2)	8.5
	US High Yield BB	207	**31**	23	23	6	(66)	**(0.9)**	(1.6)	(1.6)	(0.5)	6.8
	US High Yield B	297	**35**	31	31	(13)	(151)	**(0.9)**	(1.6)	(1.6)	(0.3)	8.9
	US High Yield CCC	784	**70**	67	67	8	(145)	**(1.5)**	(2.1)	(2.1)	(0.0)	12.4
European High Yield	Barclays PanEur HY	351	**41**	30	30	(10)	(97)	**(0.7)**	(0.5)	(0.5)	0.5	9.5
	2% Ex Financials Yield	6.78	**0.25**	(0.57)	(0.57)	0.12	(0.81)	**0.00**	0.0	0.0	0.0	0.0
Bank Loans	CS Loan Price	95.9	**(0.1)**	(0.1)	(0.1)	0.6	2.8	**0.1**	0.3	0.3	2.8	11.9
	CS Loan Yield	9.71	**0.09**	0.37	0.37	0.58	0.05	**0.1**	0.3	0.3	2.8	11.9
Investment Grade	US Treasury 7-10 Yield	4.59	**0.02**	0.39	0.39	0.73	1.00	**(0.1)**	(2.6)	(2.6)	(4.0)	(3.4)
	1M LIBOR	5.43	**(0.00)**	(0.01)	(0.01)	(0.04)	0.48	**0.1**	0.3	0.3	1.6	5.4
	US Aggregate	41	**2**	2	2	(1)	(16)	**(0.2)**	(2.2)	(2.2)	(2.9)	(0.0)
	US Investment Grade Corporates	93	**6**	3	3	(6)	(40)	**(0.6)**	(2.4)	(2.4)	(2.8)	2.2
	Global Aggregate	40	**2**	1	1	(3)	(13)	**(0.3)**	(1.4)	(1.4)	(1.4)	3.1
	Barclays 1-5 Year Credit	62	**5**	4	4	(5)	(27)	**0.0**	(0.7)	(0.7)	(0.2)	3.8
FX	DXY (US dollar)	105.95	**-**	-	-	-	-	**0.7**	1.4	1.4	4.6	3.8
	GBI EM FX	-	**-**	-	-	-	-	**(1.7)**	(1.6)	(1.6)	(4.4)	(4.4)

1W reflects data from 10 April 2024 close through 17 April 2024 close. Source: Stone Harbor Investment Partners; Bloomberg. For illustrative purposes only. See disclosures at end of material for additional information.

Representative asset class benchmarks referenced herein are defined as follows: U.S. HY: ICE BofAML U.S. High Yield Constrained Index (HUC0); EMD: J.P. Morgan EMBI Global Diversified; Loans: Credit Suisse Leveraged Loan Index; EMDLC: J.P. Morgan GBI-EM Global Diversified; EMDCR: J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified; EUR HY: Bloomberg PanEuropean High Yield; IG Corp: Bloomberg Global Aggregate Corporate Index. The J.P. Morgan ESG Index applies a multidimensional approach to ESG investing for fixed income investors. It incorporates ESG score integration, positive screening (e.g. green bonds) as well as exclusions of controversial sectors and UN Global Compact violators. The S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. The MSCI World index captures large and mid-cap representation across 23 Developed Markets. Index constituents cover approximately 85% of the free float- adjusted market capitalization in each country. The index is a broad global equity benchmark without emerging markets exposure. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of January 2009 the MSCI Emerging Markets Index consisted of the following 23 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates. The U.S. Dollar Index (USDX) indicated the general int'l value of the USD. The USDX does this by averaging the exchange rated between the USD and major world currencies. The ICE U.S. computed this by using the rates supplies by some 500 banks. VIX is a real-time market index that represents the market's expectation of 30-day forward-looking volatility.

Investments may not be made directly in an index. The J.P. Morgan CEMBI Broad Diversified (CEMBI Broad Diversified) tracks total returns of U.S. dollar-denominated debt instruments issued by corporate entities in emerging market countries and consists of an investable universe of corporate bonds. The minimum amount outstanding required is $350 mm for the CEMBI Broad Diversified. The CEMBI Broad Diversified limits the weights of those index countries with larger corporate debt stocks by only including a specified portion of these countries' eligible current face amounts of debt outstanding. The J.P. Morgan EMBI Global Diversified (EMBI Global Diversified) limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts outstanding. The countries covered in the EMBI Global Diversified are identical to those covered by the EMBI Global. The J.P. Morgan GBI-EM Global Diversified (GBI EM Global Diversified) consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure. The weightings among the countries are more evenly distributed within this index. The ICE BofAML European Currency Non-Financial High Yield 2% Constrained Index contains all non-Financial securities in The ICE BofAML European Currency High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. The Bloomberg Treasury Index tracks the obligations of the U.S. Treasury with a remaining maturity of one year or more. The Bloomberg Pan-European High Yield Index measures the market of non-investment grade, fixed-rate corporate bonds denominated in the following currencies: euro, pounds sterling, Danish krone, Norwegian krone, Swedish krona, and Swiss franc. Inclusion is based on the currency of issue, and not the domicile of the issuer. The Bloomberg U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. The Credit Suisse Leveraged Loan Index is a market-weighted index that tracks the investable universe of the U.S. dollar denominated leveraged loans. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment. The Bloomberg U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. The Bloomberg U.S. Corporate Investment Grade Index is a sub-index of the U.S. Aggregate Index. It measures the investment grade, fixed rate, taxable corporate bond market and includes USD denominated securities publicly issued by U.S. and non-US industrial, utility and financial issuers. The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers.

The Bloomberg 1-5 Year Credit Index tracks publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity of between one and five years, liquidity, and quality requirements. Qualifying bonds must be SEC-registered.

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