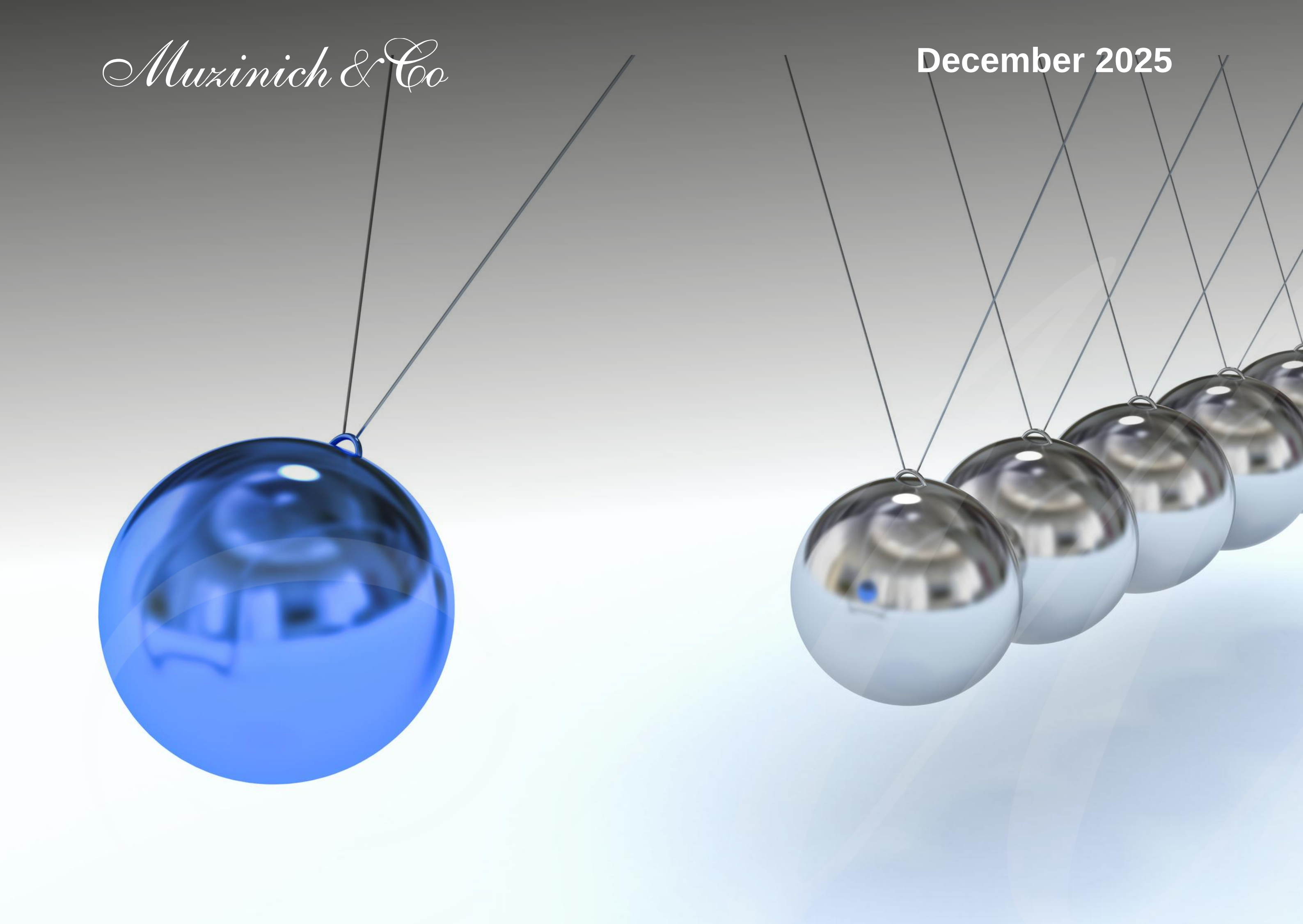
Muzinich & Co

December 2025



Roll down and Carry on

Credit investing in 2026

Tight credit spreads and strong fundamentals support disciplined positioning, favouring carry and high yield exposure to capture returns while managing risk, argue Erick Muller, Mike McEachern and Tatjana Greil-Castro.

Key Takeaways

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Macro cycle well supported:

- Global growth supported by easing financial conditions, strong equities and government spending; central banks keep some room to ease.

US vs. Europe dynamics:

- US: Federal Reserve cuts likely as it expects employment to weaken; short-term rates may reach 3-3.25% by mid-2026.
- Europe: European Central Bank likely to stay put for now, balancing positive German fiscal impulse and stable and modest private consumption with the risk of slowing employment.

- **Credit fundamentals remain strong:**
    - Tight spreads supported by solid corporate earnings, high margins, low defaults; no broad deterioration in credit quality expected.

- **Strategic portfolio implications:**
    - US: barbell strategy (short dated +7-10-year exposure); Europe: intermediate-duration focus on roll-down returns
    - Maintain overweight in high yield (HY), overweight in BBB in investment grade (IG), compressed risk premia in IG favours rotation from sub to senior, value in senior CLO tranches, underweight BB in dedicated HY portfolios, avoid CCCs.
    - Sector exposure: Keep overweight in IG autos, real estate, banks and financial services, reduce underweight in US cyclicals and add selectively in healthcare, keep telco exposure.

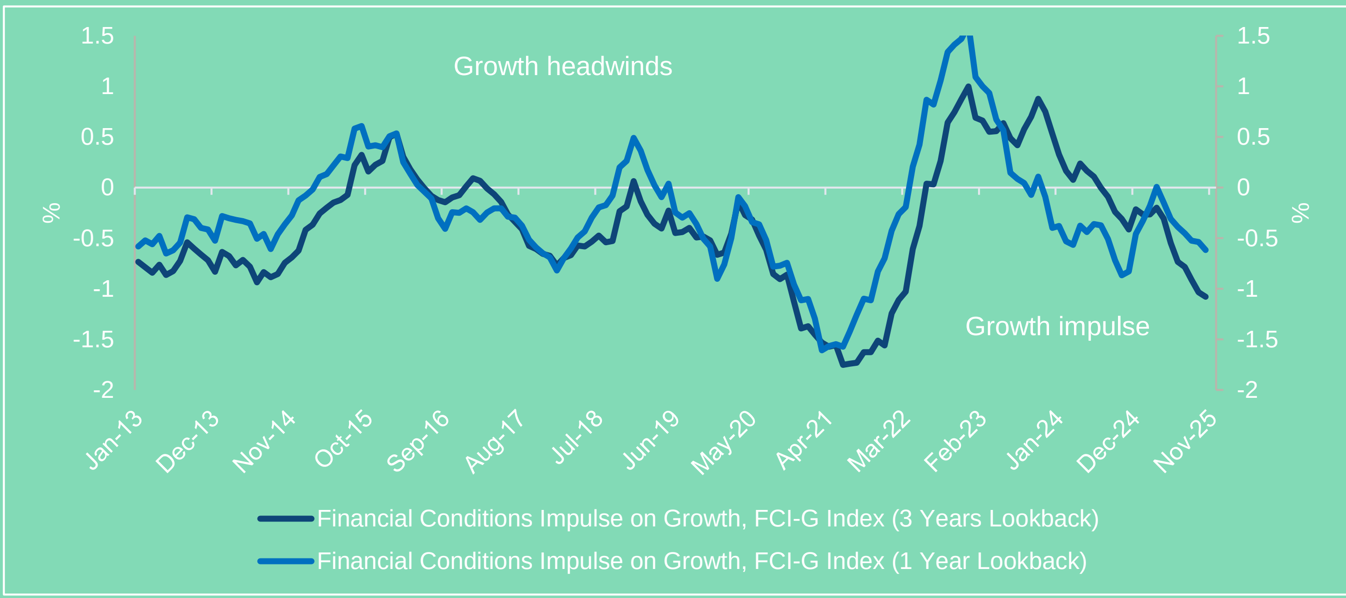
- **Risks & opportunities:**
    - Elevated valuations and low dispersion in IG but more dispersion to take advantage of within HY. Technical factors to remain supportive but with risk of more volatility in flows and growing supply.

1 Strong foundations

Credit investors enter 2026 with reasons to be hopeful. The global economy has proven resilient, supported by softer inflation, easier financial conditions and a lack of fiscal restriction.

Against this backdrop, solid corporate fundamentals and generally healthy balance sheets continue to underpin our positive stance on credit. Investors will continue to be rewarded by carry, while growing dispersion will likely offer new opportunities. In this environment, well-constructed portfolios can thrive.

Figure 1: Easing in US financial conditions to continue supporting economic cycle



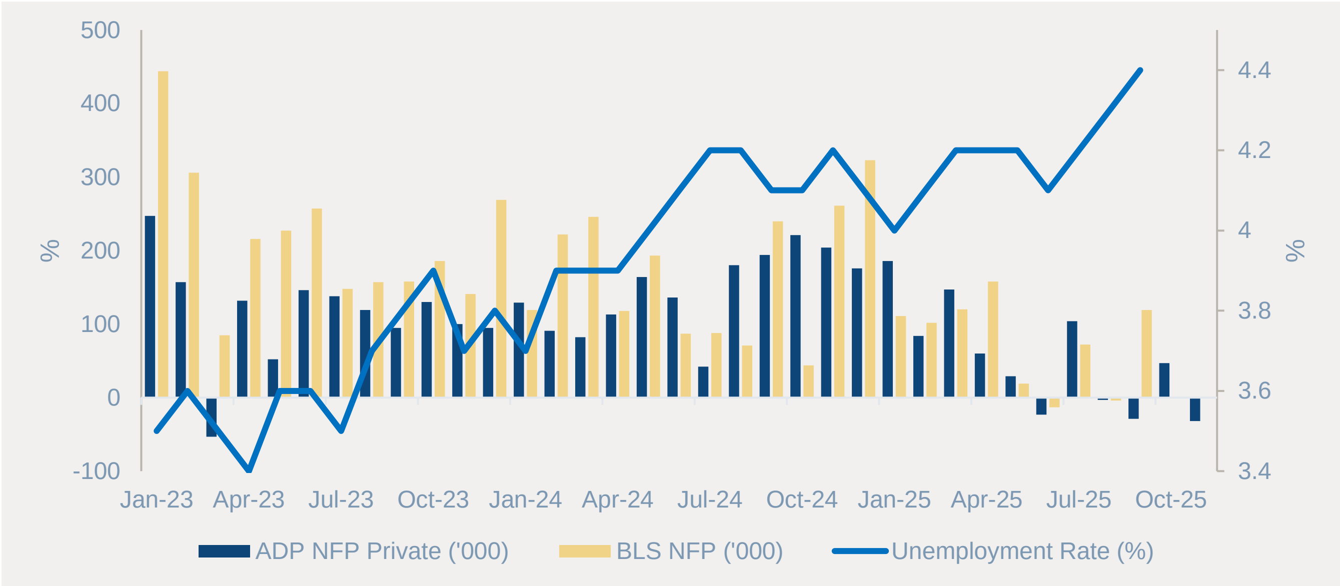
Source: Federal Reserve, Macrobond, as at end of 30th June 2025. Latest available data used. For illustrative purposes only.

Macro outlook stable – unless markets turn

Several forces should support the global economy in 2026, but we may see more dispersed situations across the globe. With the implementation of US tariffs mostly behind us, we expect the global economic cycle to accelerate sequentially next year. Global consumption has room to recover as real disposable income has improved, combined with the potential for large, fixed investment needs. While central banks have already eased, they retain valuable flexibility to act should conditions soften.

However, US labour market trends are likely to drive Federal Reserve (Fed) policy; labour income deceleration may prompt rate cuts even before a new Chair takes over, should employment weaken further, and short-term rates should reach 3-3.25% by mid-2026.

Figure 2: US labour market weakened somewhat in 2025, prompting Fed rate cuts

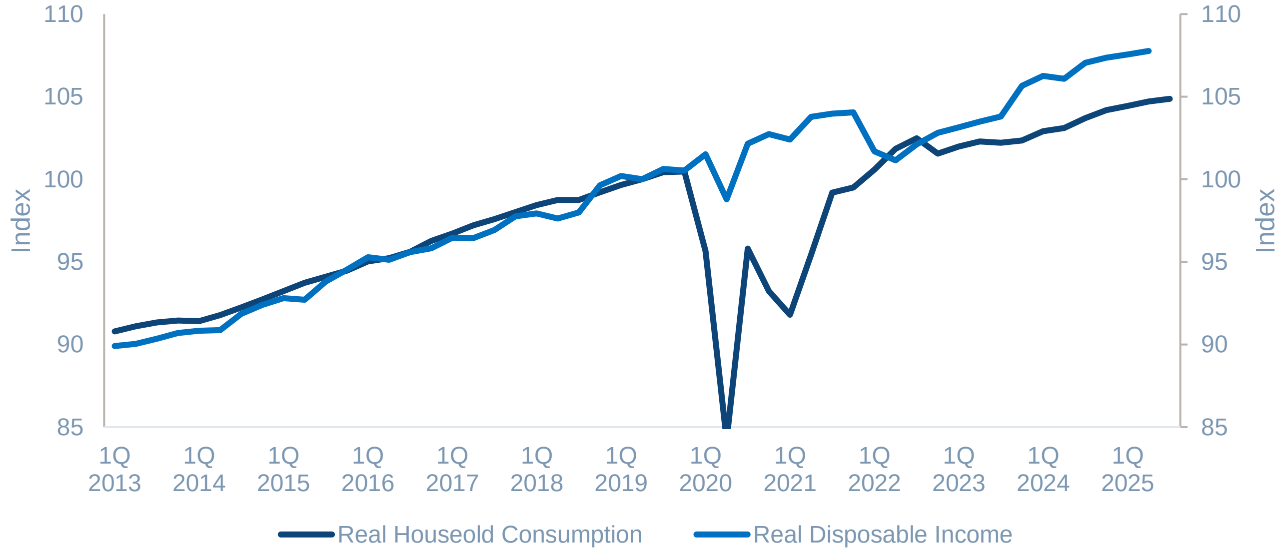


Source: Bureau of Labor Statistics, ADP, Macrobond, as of 30th November 2025. NFP – non-farm payroll. BLS- bureau of labour statistics. For illustrative purposes only.

In Europe, Germany's 2025 budget policy U-turn is expected to boost German growth in the next couple of years. While we remain cautious around how far this stimulus will extend to the broader bloc, all countries have benefited from falling inflation and improving real incomes.

The European Central Bank (ECB) is broadly comfortable considering its current interest rate is appropriate given the inflation outlook but faces wider uncertainty and greater economic dispersion ahead.[1] While a modest downward deviation in inflation alone won't justify another rate cut, weak consumer spending and slowing employment could tip the balance.

Figure 3: Eurozone yet to see private consumption catch up with improved real income



Source: Eurostat, Macrobond, Muzinich, as of 30th June 2025. Latest available data used. For illustrative purposes only.

1. European Central Bank, press release as of 30th October 2025. Monetary policy decisions.

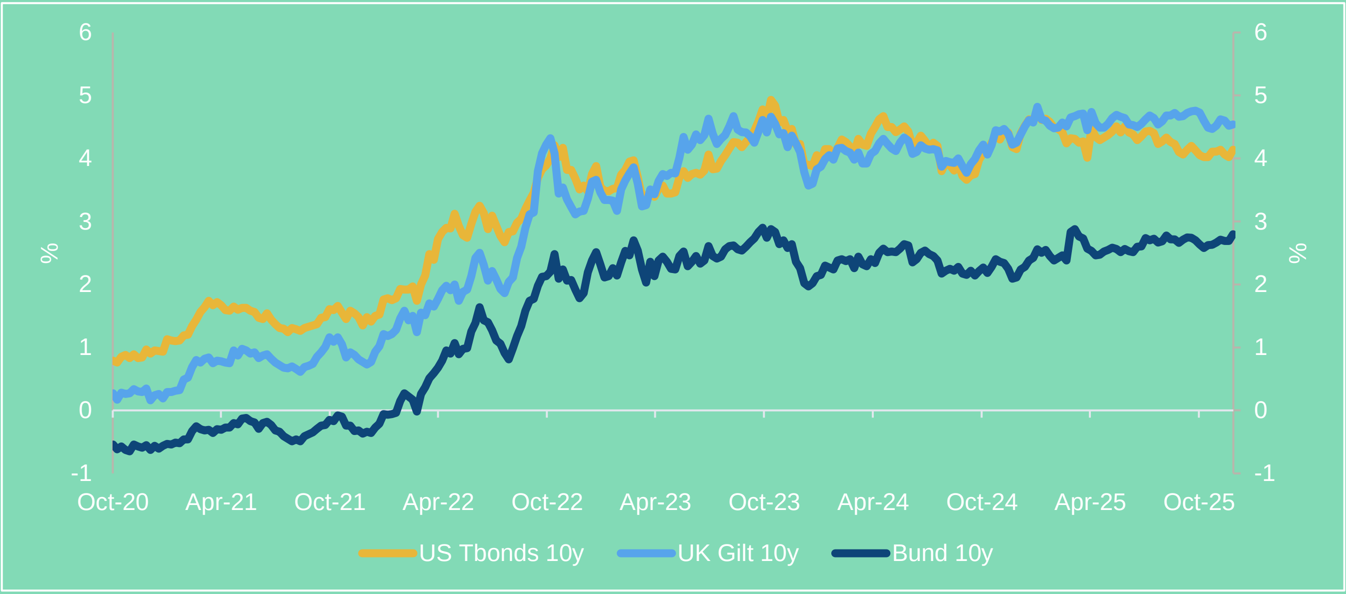
Meanwhile the Bank of England (BoE) is contending with a softer labour market, yet stubborn inflation has forced it to lag the global easing cycle. We anticipate only gradual, incremental cuts in 2026 following a likely December cut.

Looking ahead, there is less to expect from central banks in 2026. However, the slower pace of monetary easing in 2025 leaves room for further action if the economic cycle weakens, or if financial conditions tighten more than expected.

Tactical on duration

We continue to expect some curve steepening entering 2026, but most of the adjustment will have already happened entering 2026: long-end yields remain locked in a three-year range, and we see few catalysts for that to break in the medium term. Any further steepening is more likely to come from the short end, as policy rates fall, rather than from a meaningful rise in long yields from here.

Figure 4: Long yields stuck in a 3-year range



Source: Macrobond, as of 8th December 2025. Generic 10-year government bond yields. For illustrative purposes only.

Regional positioning remains important. In 2025, US and Euro sovereign 10-year yields diverged by c.80bps, making duration placement a key performance driver. Today, the balance of risks calls for patience on USD duration while we would comfortably sell European government bond rallies.

In Europe, we expect the roll-down to remain a strong contributor to total returns, supporting a preference for the intermediate part of the curve, particularly as short-end credit spreads have tightened. In the US, despite this year curve steepening, tight long-end spreads and supply risks keep us away from owning the longer end of the curve. We prefer a combination of short duration with a 7y to 10y exposure

MIKE MCEACHERN
Co-Head Public Markets

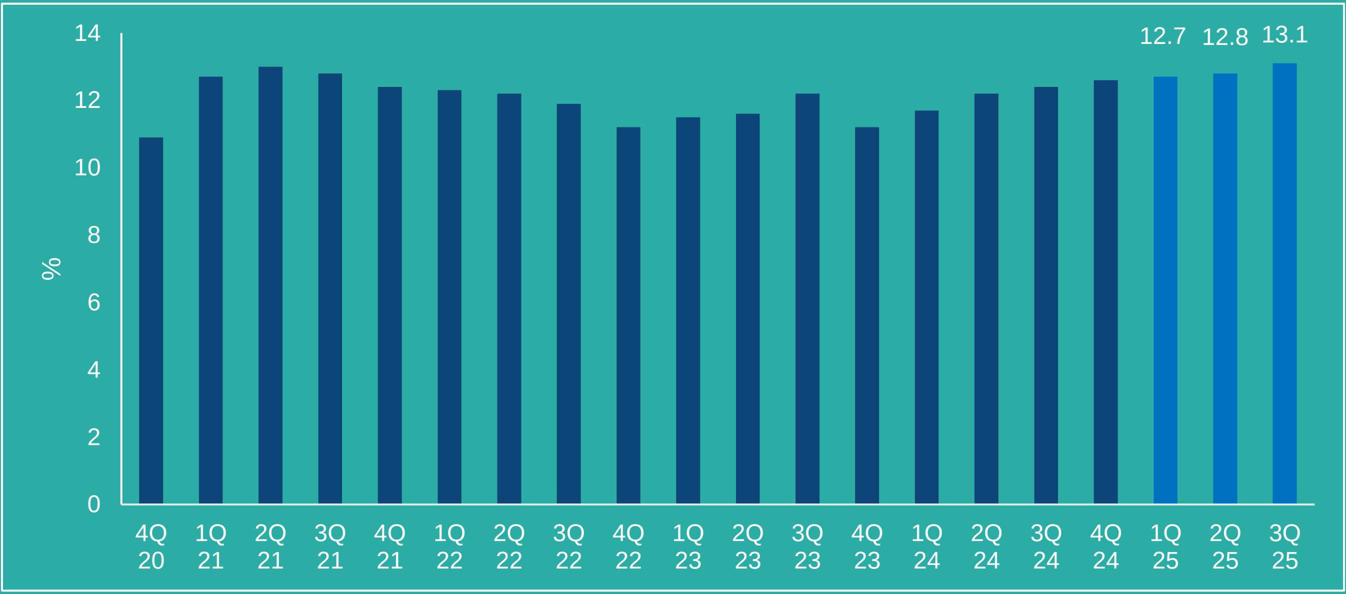
> "We enter 2026 with an overweight in the US 7 - 10-year part of the curve alongside short duration exposure."

2 Solid fundamentals keep spreads tight

While spreads started 2025 tight, credit still managed to deliver strong excess returns as credit spreads offered a nice buffer against rising yields, notably Bunds, and attracted inflows.[2] Heading into 2026, spreads remain tight – and historically compressed.[2] Risk premia – the extra yield that compensates for incremental credit risk – have narrowed across ratings, debt tiers and sectors. In many cases, spread premia are close to long-term lows.

In such circumstances, ongoing strength in fundamentals is central to our constructive view on credit. Our baseline scenario is based on a sequential acceleration of global economic momentum. We also expect corporate earnings to remain solid from an already strong base.

Figure 5: Very comfortable S&P 500 net profit margins



Source: FactSet Insight, as of 17th November 2025. Light blue columns to highlight 2025 data. For illustrative purposes only.

Third-quarter S&P 500 corporate revenues rose by more than 8% y-o-y with all sectors reporting revenue growth while profit margins rose to 13.1%, the highest in 15 years.[3] European corporate results were less impressive although still strong. We expect corporate earnings to stay on a solid footing in 2026.

We recognise the recent shift in sentiment and the rise in market concerns. After several repeated shocks, such as Covid, energy price rises, interest rate rises in 2022-2023 and global trade fragmentation to name a few, the risk of liquidity to be less efficiently allocated exists and pockets of stress will naturally emerge.

However, we currently see no evidence of broad-based deterioration in corporate fundamentals across most segments. Default rates are contained with a 1.1% default in US HY and a 4% rate for broadly syndicated loans.[4] While European default rates picked up slightly, it was primary due to two idiosyncratic credit events and had decelerated to 2.9% by the end of October.[5]

2. ICE Index Platform, as of 9th December 2025. ICE BofA US Cash Pay High Yield Index (J0A0), ICE BofA US Corporate Index (C0A0), ICE BofA Euro High Yield Index (HE00), ICE BofA Euro Corporate Index (ER00), ICE BofA Global Corporate & High Yield Index (G100).
3. Factset Insight, 17th November 2025.
4. BofA Global Research, High Yield Credit Chartbook, as of 1st December 2025.
5. Bank of America High Yield Chartbook, as of October 2025.

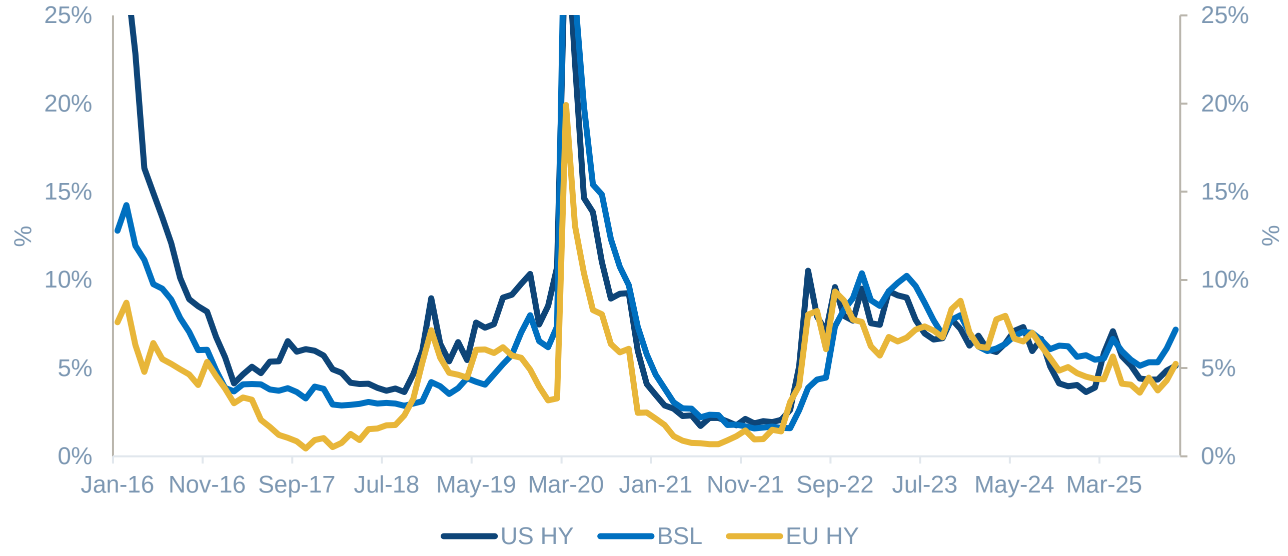
Two questions arise as we look to next year:

1. Could recent credit idiosyncratic events broaden into a systemic issue?

2. Will the significant funding needs of hyperscalers - given their massive infrastructure investment plans – put pressure on credit markets?

While fraud or accounting issues are hard to predict, distressed-debt levels and rating momentum indicators remain reliable indicators of underlying balance-sheet stress. The latest data shows distressed ratios at roughly 5% for US HY bonds, 6% for BSL and 4.3% for Euro HY bonds – still low by historical standards, particularly given the subdued default rates of recent years.[6] We keep a benign default scenario for 2026.

Figure 6: Distressed ratios rose marginally



Source: ICE BofA High Yield Chart Book, as of 1st December 2025. For illustrative purposes only.

In addition, upgrade/downgrade ratios don't point to a rapid deterioration (bearing exogenous shocks).[7] Nevertheless, strong credit metrics remain the key safeguard to prevent isolated weakness from spreading / becoming systemic.

Concerns about the future financing needs of hyperscalers are understandable given the scale of expected infrastructure investment. Consensus capex estimates for Amazon, Microsoft, Meta, Alphabet and Oracle reach US$533bn in 2026, up from US$399bn in 2025 (revised) and US$237bn in 2024.[8]

However, it's important to look at their balance sheets. Since 2021, these companies have increased net debt by US$295bn yet their net-debt-to-EBITDA ratio remains at just 0.2x.[9] It would take around US$700bn of additional issuance to lift leverage to even 1.0x.[9] Over the last 12 months to 3Q25, 64% of capex was funded through operating cash flow, limiting reliance on external financing.[9]

Aside from Oracle (which is BBB rated), these companies are high-investment-grade, meaning any incremental issuance has limited implications for lower-rated segments. We also do not expect these companies to take on risky borrowing strategies to save on funding costs if it hurts their credit ratings.

6. BofA Global Research, High Yield Credit Chartbook, as of 1st December 2025
7. Bloomberg, as of 31st October 2025. Credit Fundamentals
8. Financial Times, as of 6th November 2025. "Best way to describe the market is bonkers"
9. Goldman Sachs, as of 24th November 2025.

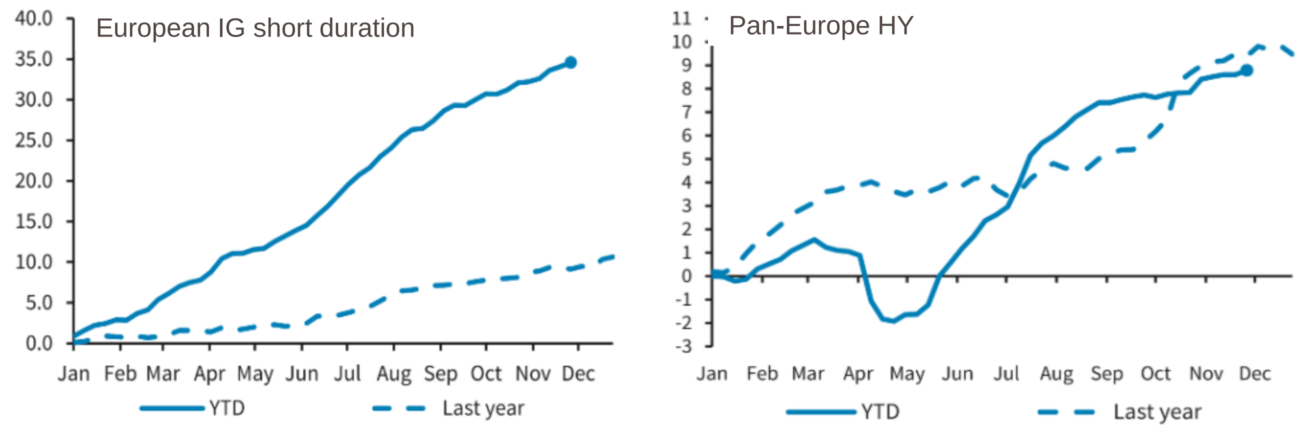
3 A technical tailwind

Technical factors were a major driver in 2025, with strong global inflows into credit.[10] Investors were drawn to attractive all-in yields after several years of weak or negative returns, allowing IG and HY markets to absorb issuance smoothly. Continued CLO creation also supported demand for leveraged loans.

Looking ahead, we expect investors to stay income-focused – seeking yield rather than spread – and demand should remain firm.

In Europe, ECB cuts have encouraged a rotation out of cash and into high-quality, short-duration credit, creating strong technical demand, moving short-dated spreads tighter. As 2026 nears with inflation stabilising around 2%, European institutions appear increasingly willing to extend duration, reducing underweights in government bonds while shifting to longer-dated IG. A notable exception is the Dutch pension fund system that is likely to shorten their appetite for long duration government bonds as they progressively shift from defined benefit to defined contribution schemes. Meanwhile, wealth-management flows should continue to favour higher-yielding and private-market strategies.

Figure 7: Inflows in European credit focused on short duration instruments



Source: EPFR, Barclays calculations, European Corporate credit flows as of 28th November 2025. For illustrative purposes only.

US cash yields remained around 4% for much of the year,[11] but the rotation from money markets to short-term credit could become a key theme in 2026 if the Fed lowers rates, similarly to what was observed in Euro credit last year. A key dynamic also persists: US pension funding ratios improved further to 107% in 2025, up from 104% at end-2024.[12] Such a funding position should sustain de-risking across multi-asset portfolios and support continued inflows into US IG.

10. ICE Index Platform, as of 9th December 2025. ICE BofA US Cash Pay High Yield Index (J0A0), ICE BofA US Corporate Index (C0A0), ICE BofA Euro High Yield Index (HE00), ICE BofA Euro Corporate Index (ER00), ICE BofA Global Corporate & High Yield Index (G100).
11. ICE Index Platform, as of 9th December 2025. ICE BofA US Cash Pay High Yield Index (J0A0).
12. Millman Pension Funding Index, as of 31st October 2025.

Figure 8: Funding ratio in US pension plans reached new highs (largest 100 US pension plans)

Source: Milliman, largest 100 Defined Benefit US pension plans, as of November 2025. For illustrative purposes only.

Supply remained contained for much of 1H 2025, but picked up meaningfully after the summer, temporarily weighing on spreads and creating some modest decompression across ratings.[13] Looking ahead, we expect net supply to increase meaningfully in IG, and more modestly in HY.

We believe three themes will shape the supply outlook:

1. **Stronger US M&A activity and a rebound in leveraged finance supply**: With funding costs falling, US IG issuers are likely to rely on leverage to finance acquisitions, driving higher supply. This should also feed through to a strong pickup in US leveraged finance while European leverage finance issuance will be more moderate
2. **Hyperscalers' funding needs:** Large issuers are expected to rely heavily on bond markets to finance outsized infrastructure spending, with issuance skewed towards longer maturities.
3. **Persistent Yankee-bond issuance:** Euro credit should again receive sizable supply from US corporates, with the euro remaining an attractive funding currency and good diversifier. Yankee issuance reached €144 bn by mid-November[14] and could match that level in 2026.

13. ICE Index Platform, as of 9th December 2025. ICE BofA US Cash Pay High Yield Index (J0A0), ICE BofA US Corporate Index (C0A0), ICE BofA Euro High Yield Index (HE00), ICE BofA Euro Corporate Index (ER00), ICE BofA Global Corporate & High Yield Index (G100).
14. Morgan Stanley Europe, as of 21st November 2025. In The Middle Lane.

Figure 9: Supply outlook

Segment	2025 expected net supply	2026 expected net supply
US IG	US$635bn	$802bn
Euro IG	€170bn	€225bn
US High Yield	~US$100bn (est.)	$150bn
US Leveraged Loans	~US$193bn (est.)	$300bn
US CLO Issuance	—	~$150bn
Euro HY (non-financials)	~€44bn (est.)	€45bn
Euro Leveraged Loans	~€38bn (est.)	€40bn

Source: JP Morgan, as of November 2025. US IG Credit Outlook, European Credit Outlook & Strategy, HY & Leveraged Loans Outlook, as of November 2025.

Overall, we expect technicals to remain supportive in 2026. However, two differences stand out versus 2025: supply will be less predictable – given M&A activity and hyperscaler funding needs – and investors may take longer to step in on spread widening, with less immediate “buy-the-dip” behaviour.

“We expect technicals to remain supportive in 2026, although supply will be less predictable.”

TATJANA GRIEL-CASTRO
Co-Head Public Markets

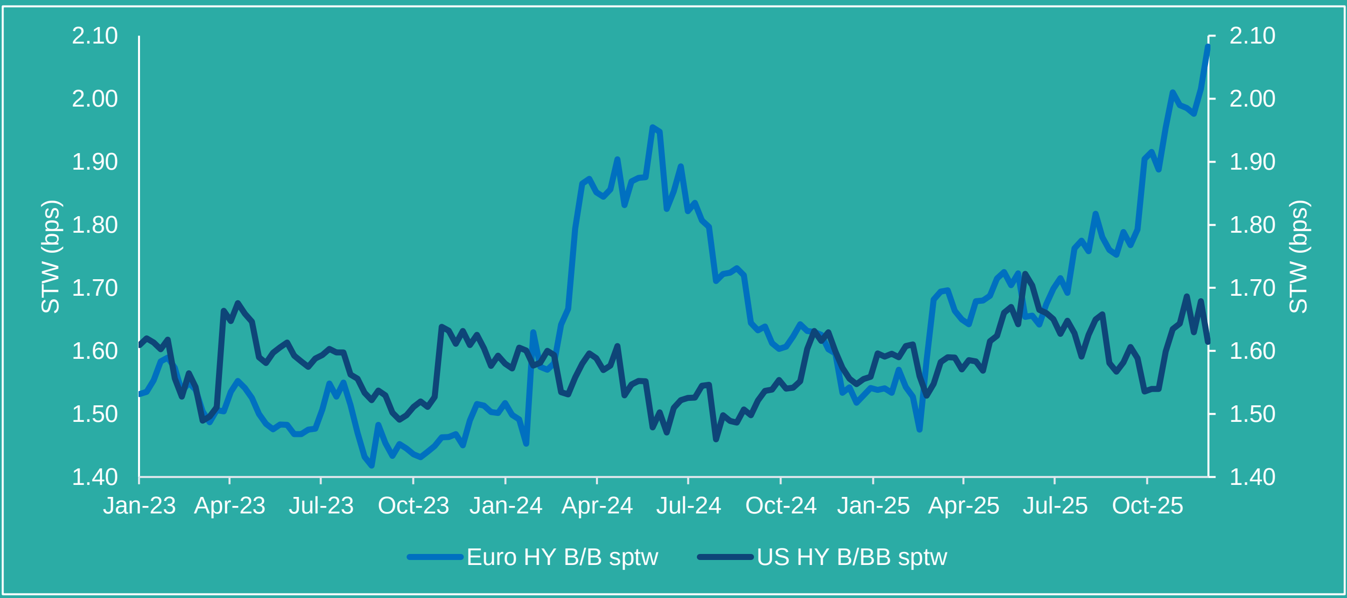
4 Compressed spreads reframe risk allocations

We expect credit markets to continue to deliver positive total returns in 2026, aligned with current yields, given capital appreciation potential in aggregate is limited across most segments.

In IG, we maintain a highly diversified approach given the tight spreads and moderate dispersion and are waiting for more attractive valuations before increasing risk. Meanwhile, confidence in solid corporate fundamentals supports our continued focus on BBB versus A rated corporates, as well as meaningful HY exposure in our crossover portfolios. This HY exposure is carefully managed, with a high credit quality bias, emphasising BB-rated issuers while retaining selective positions in the strongest B-rated credits.

In dedicated HY portfolios, we aim to take advantage of the higher sector and issuer dispersion that appeared in 2H 2025 and will selectively capitalize on the recent decompression in B rated corporates versus higher-quality credit, more specifically in Euro HY. We expect HY markets to deliver coupon-type returns plus some alpha from sector/security selection. US high yield now has its shortest-ever duration to maturity (with Europe not far behind), meaning any credit-spread widening would have a smaller impact on total returns.

Figure 10: Higher dispersion in high yield offers opportunities



Source: ICE Data Platform, as of 1st December 2025. ICE BofA single-B US High Yield Index (H0A2), ICE BofA BB US High Yield Index (H0A1), ICE BofA Single-B Euro High Yield Index (HE20), ICE BofA BB Euro High Yield Index (HE10). Index performance is for illustrative purposes only. You cannot invest directly in the index.

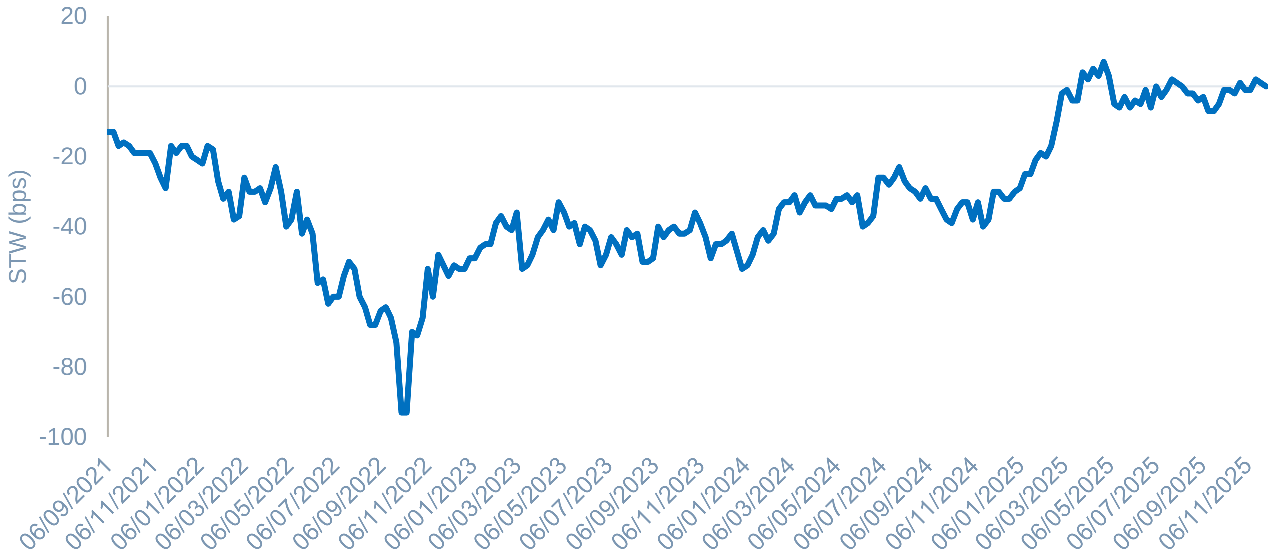
ERICK MULLER
Co-Head Public Markets

"We see dispersion in high yield as an opportunity rather than a risk."

However, tight spreads and richer valuations require some adjustments to portfolio positioning. These include rebalancing regional exposure, particular within short-duration IG portfolios, reassessing subordinated versus senior risk, refining yield curve positioning and rebuilding selective exposure to US cyclicals.

At the same time, several convictions remain unchanged: maintaining our Euro HY overweight versus US and EM HY and maintaining key sector positions such as overweights in banks, autos IG and real estate and an underweight in chemicals.

Figure 11: USD and EUR credit IG spreads have converged



Source: ICE BofA indices, US corporate BBB rated 5y to 7y (C3A4), EUR BBB 5y to 7y (ER43), as of 1st December 2025. Indices selected represent best proxy to highlight spread performance of US and European IG 5-7 year markets. Index performance is for illustrative purposes only. You cannot invest directly in the index.

The long-standing overweight in Euro IG versus USD IG has largely run its course. Duration – and quality – adjusted spreads between the two markets – have now converged.[15] Earlier debates about whether US tariffs would hurt US corporates more than European exporters have also faded, making regional positioning less dependent on these themes.

With US short rates expected to fall, short-duration US IG credit looks particularly appealing. Even a small shift of cash from the US$8tn of money market funds[16] into short duration bonds could push their yields lower.

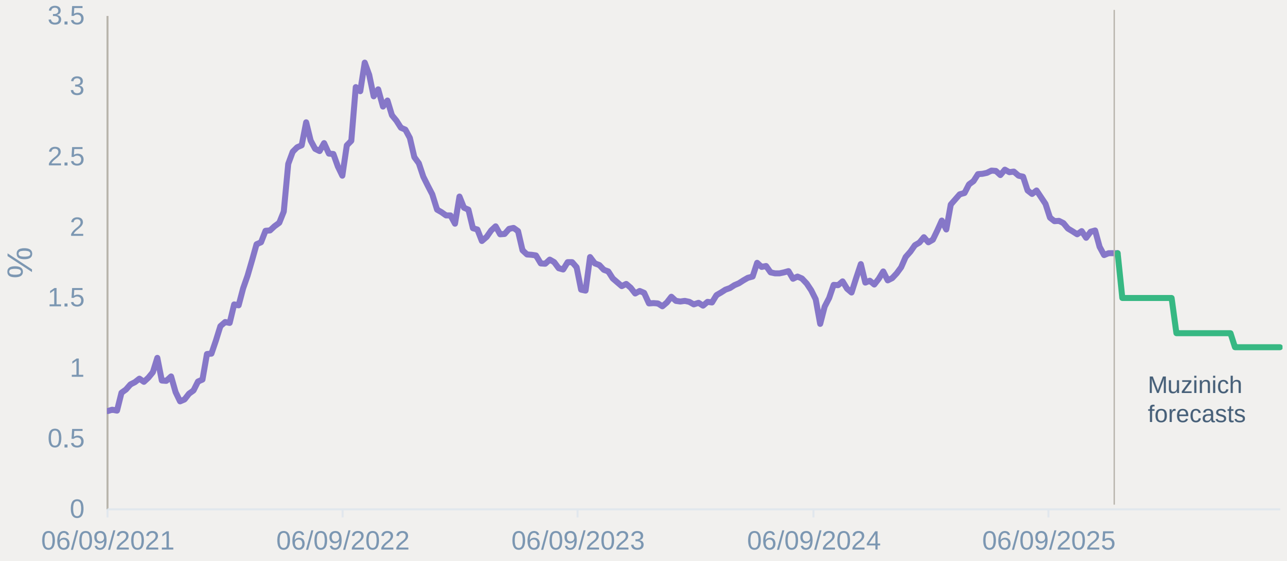
At the same time, institutional demand for long-duration US assets may help absorb supply at the long end, despite tight spreads. That said, we currently have low conviction in adding exposure to the long end of the US curve and would only reconsider if the 10–30 year spread steepens meaningfully.

Our shift towards greater USD exposure also reflects improving hedging dynamics. On a 3-month forward basis, USD/EUR hedging costs have fallen by 50bps from their summer peak of 2.4%.[17]

15. ICE Index Platform, as of 9th December 2025. ICE BofA US Corporate Index (C0A0), ICE BofA Euro Corporate Index (ER00).
16. Bloomberg, as of 2nd December 2025. Money-market assets rise to record US$8 trillion, Crane says.
17. Bloomberg, as of 8th December 2025. Bloomberg USDEUR 3 Month Hedging Cost.

Under our base case in which the ECB holds rates at 2% and the Fed delivers 3 more cuts by mid-2026, hedging costs could move toward 1.25-1.5%. While this alone is unlikely to drive large capital flows, combined with a constructive outlook for US corporates it leaves little justification for maintaining an underweight in US IG credit now the euro credit premium has faded.

Figure 12: Hedging costs for Euro based investors likely to fall in 2026



Past performance is not a reliable indicator of current or future results.

Forecasts mentioned are not a reliable indicator of future results and should not be the sole factor of consideration when selecting a product or strategy.

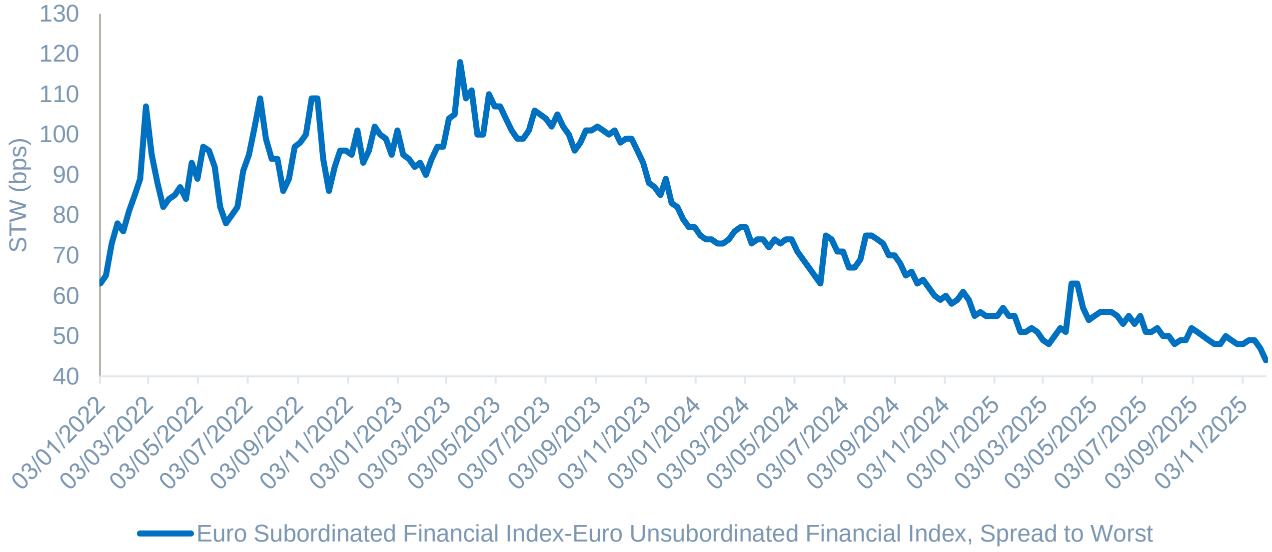
Source: Bloomberg as of 8th December 2025. Bloomberg USDEUR 3 Month Hedging Cost. Indices selected represent best proxy to highlight hedging costs between USD and EUR. For illustrative purposes only. Index performance is for illustrative purposes only. You cannot invest directly in the index.

In Europe, we believe short duration credit continues to offer the best yield per unit of duration, but the steeper curve also enhances roll-down opportunities, providing a meaningful source of carry with limited directional risk. We capture this primarily though maxing out duration limits within short duration IG portfolios, raising our allocation to the belly of the curve in Euro credit.

Our IG portfolios maintain a significant overweight in financials, particularly banks. Over the past two years, much of this European bank exposure was concentrated in subordinated Tier 2s, which offered substantial risk premia over senior debt. Today, European financial and non-financial spreads have largely converged,[18] and Tier 2 spreads over senior debt are now historically tight,[19] leaving little room for further spread compression.

18. ICE Index Platform, as of 9th December 2025. ICE BofA Euro Financial Index (EB00), ICE BofA Euro Non-Financial Index (EN00).
19. ICE Index Platform, as of 9th December 2025. ICE BofA Subordinated Financial Index (EBSU), The ICE BofA Unsubordinated Euro Financial Index (EBXS).

Figure 13: Euro subordinated financial STW vs. senior has less value at historical tights



Source: Source: ICE Data Platform, as of 1st December 2025. ICE BofA Euro Subordinated Financial Index (EBSU), Euro Unsubordinated Financial Index (EBXS). Indices selected best proxy to represent performance in spread between subordinated and senior financials. Index performance is for illustrative purposes only. You cannot invest directly in the index.

We see two attractive alternatives to maintaining our sector overweight:

1. Part of our exposure could shift to US banks, where spreads remain above long-term averages, offering potential for further compression and rebalancing cyclical exposure. [20]
2. The roll-down opportunity in euro senior bank debt improved in 2025 due to a steeper curve,[21] potentially matching the total return of Tier 2 debt while lowering risk-adjusted capital usage. Both approaches allow us to retain conviction in banks while optimizing risk and return.

Within HY, we continue to see a strong case to overweight HY in diversified portfolios, and to keep an overweight to Europe. While the European HY market grew in 2025,[22] it has maintained its high-quality profile, compared to the US market. However, after hedging currency risk, Euro BB-B rated yields stand ~45 bps above US equivalent.[22] The recent widening between European B and BB rated corporates has not been fully mirrored in the US, creating opportunity rather than concern. European CLOs, which hold roughly 10-15% of fixed-rate bonds – double the USD equivalent – have been active in reducing weaker B exposure ahead of any potential downgrades, [23] and we believe flows have now largely stabilised.

While the recent decompression presents a tactical entry point in both markets, terms are more favourable for Euro HY, and we believe supply risks from higher leveraged buy-out activity in 2026 are more pronounced in the US HY market than in Europe.

Finally, fixed maturity funds in continental Europe continue to support demand for HY instruments. While newer vintages are less focused on HY, they maintain a meaningful allocation to the asset class, supporting demand for European HY. [24]

20. ICE Index Platform, as of 9th December 2025. ICE BofA US Banking and Brokerage Index (C0P0)
21. ICE Index Platform, as of 9th December 2025. ICE BofA Euro Senior Banking Index (EB3A)
22. ICE Data Platform, as of 9th December 2025. ICE BofA Euro High Yield Index (HE00).
23. JP Morgan European Collateralized Loan Obligation Index (€-CLOIE), as of 9th December 2025.
24. Bloomberg, as of April 24th 2025. "Boom in fixed maturity funds anchors Europe's junk bond markets."

5 Building tariff-resilient portfolios

From a sector standpoint, our portfolios will continue to limit exposure to tariff-related risks. We therefore maintain overweights in banks across DM and EM portfolios, as well as in diversified financial services and real estate. At the same time, we are moderating our underweights in cyclicals, such as selectively adding to US energy mid-stream in IG and European subordinated utilities.

European chemicals remain an area of concern, given their poor cost-based positioning versus US or Chinese competitors, the weak manufacturing activity indicators in Europe and the Chinese excess capacity potentially flooding global markets.

Reasons for optimism

Looking ahead, we believe the global credit landscape remains fundamentally strong. Solid corporate earnings, contained defaults and supportive technicals underpin tight spreads.

We maintain an overweight in higher yielding markets and seek to take advantage of existing dispersion to enhance returns. We will wait for higher premia in IG to add risk. With stable or modestly lower short rates in Europe, we expect floating rate instruments to compete well with bonds, while barbell duration strategies could be more popular in USD credit.

Index descriptions

ICE BofA US Cash Pay High Yield Index (J0A0)
The ICE BofA US Cash Pay High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.

ICE BofA US Corporate Index (C0A0)
C0A0 - ICE BofA US Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million. Original issue zero coupon bonds, 144a securities (with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Equity-linked securities, securities in legal default, hybrid securitized corporates, eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index.

ICE BofA Euro High Yield Index (HE00)
HE00 - The ICE BofA Euro High Yield Index tracks the performance of EUR dominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million.

ICE BofA Euro Corporate Index (ER00)
ER00 – The ICE BofA Euro Corporate Index tracks the performance of EUR denominated investment grade corporate debt publicly issued in the eurobond or Euro member domestic markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million.

ICE BofA Global Corporate & High Yield Index (G100)
GI00 – The ICE BofA Global Corporate & High Yield Index tracks the performance of investment grade and below investment grade corporate debt publicly issued in the major domestic and eurobond markets. Qualifying securities must be rated by either Moody's, S&P or Fitch, have at least one year remaining term to final maturity, at least 18 months to maturity at point of issuance and a fixed coupon schedule.

ICE BofA single-B US High Yield Index (H0A2)
ICE BofA single-B US High Yield Index is a subset of the ICE BofA US High Yield Index (H0A0) including all securities rated B1 through B3, inclusive.

ICE BofA BB US High Yield Index (H0A1)
ICE BofA BB US High Yield Index is a subset of the ICE BofA US High Yield Index (H0A0) including all securities rated BB1 through BB3, inclusive.

ICE BofA Single-B Euro High Yield Index (HE20)
ICE BofA Single-B Euro High Yield Index is a subset of the ICE BofA Euro High Yield Index (HE00) including all securities rated B1 through B3, inclusive.

ICE BofA BB Euro High Yield Index (HE10)
ICE BofA BB Euro High Yield Index is a subset of the ICE BofA Euro High Yield Index (HE00) including all securities rated BB1 through BB3, inclusive.

US corporate BBB rated 5y to 7y (C3A4)
ICE BofA BBB 5-7 Year US Corporate Index is a subset of ICE BofA US Corporate Index including all securities with a remaining term to final maturity greater than or equal to 5 years and less than 7 years.

EUR BBB 5y to 7y (ER43)
ICE BofA BBB 5y to 7yr Euro Corporate Index is a subset of the ICE BofA Euro Corporate Index (ER00) including all securities rated BBB1 through BBB3 inclusive with a remaining term to final maturity greater than or equal to 5 years and less than 7 years.

ICE BofA Euro Financial Index (EB00)
ICE BofA Euro Financial Index tracks the performance of EUR denominated investment grade debt publicly issued by financial institutions in the eurobond or Euro member domestic markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issaunce, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million. Original issue zero coupon bonds, corporate pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Euro legacy currency, hybrid securitized corporate securities, equity-linked securities, and securities in legal default are excluded from the Index.

ICE BofA Euro Non-Financial Index (EN00)
The ICE BofA Euro Non-Financial Index tracks the performance of non-financial EUR denominated investment grade corporate debt publicly issued in the eurobond or Euro member domestic markets.

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ICE BofA Unsubordinated Euro Financial Index (EBXS)
The ICE BofA Unsubordinated Euro Financial Index is a subset of ICE BofA Euro Financial Index excluding all subordinated securities.

ICE BofA US Banking and Brokerage Index (C0P0)
ICE BofA US Banking and Brokerage Index is a subset of ICE BofA US Corporate Index including all securities of Bank and Brokerage issuers

ICE BofA Euro Senior Banking Index (EB3A)
ICE BofA Euro Senior Banking Index is a subset of ICE BofA Euro Financial Index including all senior securities of Bank issuers.

JP Morgan European Collateralized Loan Obligation Index (€-CLOIE)
JP Morgan EUR CLOIE Index - is a subset of the J.P. Morgan Collateralized Loan Obligation Index (CLOIE) but only includes EUR instruments.

Index performance is for illustrative purposes only. You cannot invest directly in the index.

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