

HIGH YIELD INDICES

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In hindsight, February's return does not look so bad

The opening headline from last month's report was "The Global High Yield Index suffered its worst loss in just over four years" as the index slid 1.40% in February. Little did we know that by the end of March we would love to have had a repeat of that performance as the index suffered its second worst loss on record. (p 2)

The 2020 high yield sell-off is looking remarkably similar to 2008

The first four weeks of the high yield sell-off looked remarkably similar to the weeks immediately following the Lehman bankruptcy in September 2008. An overlay of the two periods shows the index currently moving almost in lockstep with the 2008 trajectory. (p 2)

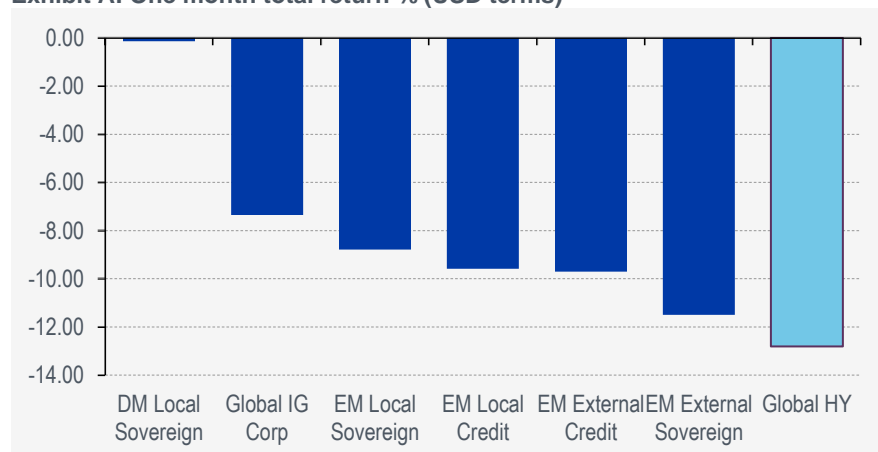
The Energy sector lost a stunning 29% in March

With the market down so much there were no winners to highlight. All sectors lost at least 5%, and 13 of 18 sectors lost around 10% or more. But none of the losses came close to matching Energy, which tumbled 29% in a single month as oil prices dropped precipitously. (p 4)

Volume of downgrades surges

Not surprisingly, in light of the impact that the COVID19 pandemic is already having on the global economy, the downgrade volume in March was more than quadruple the \$34bn monthly average since 1999. (p 4)

Exhibit A: One month total return % (USD terms)



Global High Yield

In hindsight, February's return does not look so bad.

The opening headline from last month's report was "The Global High Yield Index suffered its worst loss in just over four years" as the index slid 1.40% in February. Little did we know that by the end of March we would love to have had a repeat of that performance. Instead, the March 12.73% loss was nine times larger than the February setback and February now looks just like a blip in hindsight. Only once before in its 22¼ + year history has the index suffered a double-digit loss in a single month and that was the record 16.34% loss it incurred in October 2008. Even the US High Yield Index, with a longer history that extends back 33½ years, had just one previous double-digit loss (also October 2008). Of course, 2008 was very different – that 16% loss in October was sandwiched in between bookend 8% losses in both September and November. So far that has not been the case in 2020 as the index suffered a much milder loss in February. Time will tell what April brings.

Exhibit B: Global High Yield Index MTD return attribution

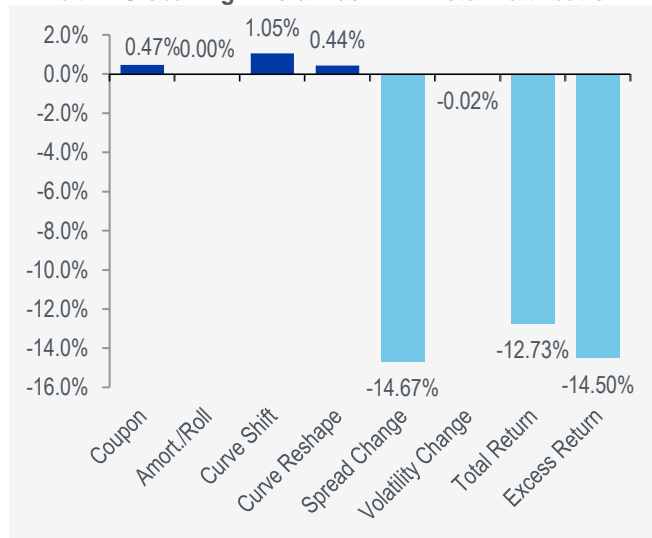
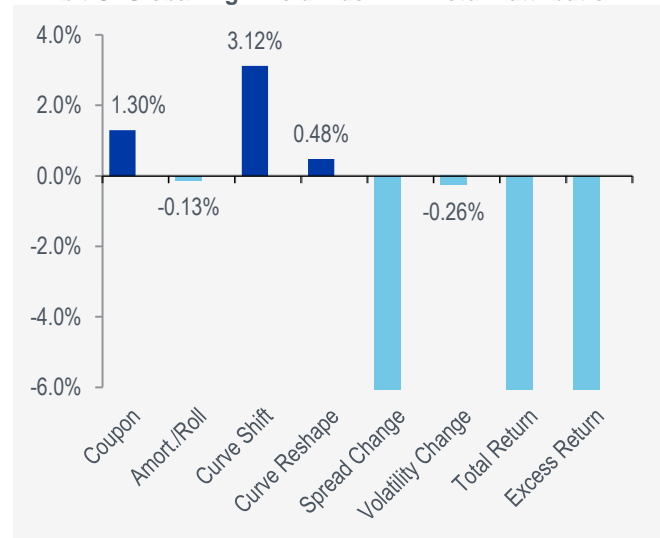


Exhibit C: Global High Yield Index YTD return attribution

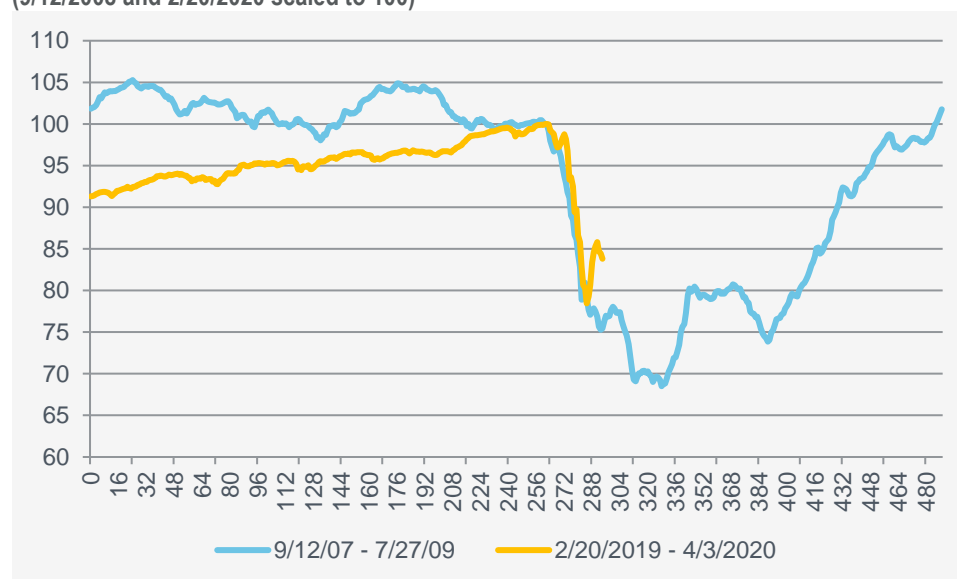


So far the 2020 high yield sell-off is looking remarkably similar to 2008.

The first four weeks of the high yield sell-off looked remarkably similar to the weeks immediately following the Lehman bankruptcy in September 2008. An overlay of the two periods shows the index currently moving almost in lockstep with the 2008 trajectory (Exhibit C). From February 21, when the index started the decline from its high-water mark, to March 23 the US High Yield Index lost 21.54%. By comparison, from September 15 to October 15, 2008 the index lost 20.86%. But what is in store over the coming weeks and months?

It took the index 63 trading days before it bottomed out in the 2008 sell-off. But this time around the index started to rebound after just 23 trading days as it gained 9.36% over the last six days of the month spurred by the massive stimulus injected by the Fed. However, in 2008 the index also staged a brief, albeit smaller, rebound 31 days into the cycle. That rebound lasted just seven days and then the index reversed course again and lost another 12.21% before it ultimately found the bottom. So far April is suggesting there may be more to go as the index suffered losses on each of the first three trading days of the month.

Exhibit C: US High Yield Index performance now versus the 2008-9 financial crisis (9/12/2008 and 2/20/2020 scaled to 100)



Lower rated credits outperformed on the long end for the month and quarter.

If you look at the US High Yield Index performance in March segmented by maturity it shows that the under 5 and 5-10 year segments of the index were relatively close, particularly in terms of excess return, while the long end suffered larger losses. The shortfall on the long end is magnified in the excess return comparison which shows the 10+ year segment underperforming the 0-5 and 5-10 year segments by roughly 5%. That certainly makes sense – the longer maturities got a bit of relief from the rally in underlying Treasuries, but duration is a double-edged sword and the additional spread duration exposure exacerbated the spread widening losses.

Interestingly, the same pattern does not hold true in the segmented returns of the BB and single-B rating categories. The BB category, which is the more interest rate sensitive of the two, shows deteriorating performance as you move to longer maturities, but the single-B category moves the other direction on a total return basis and is relatively flat across maturities in terms of excess return. As a result, a comparison of the two shows that BBs had the upper hand on the front end, but that advantage shrank considerably in the belly of the curve and the two reversed fortunes on the long end. The same is true to an even greater degree for the first quarter results.

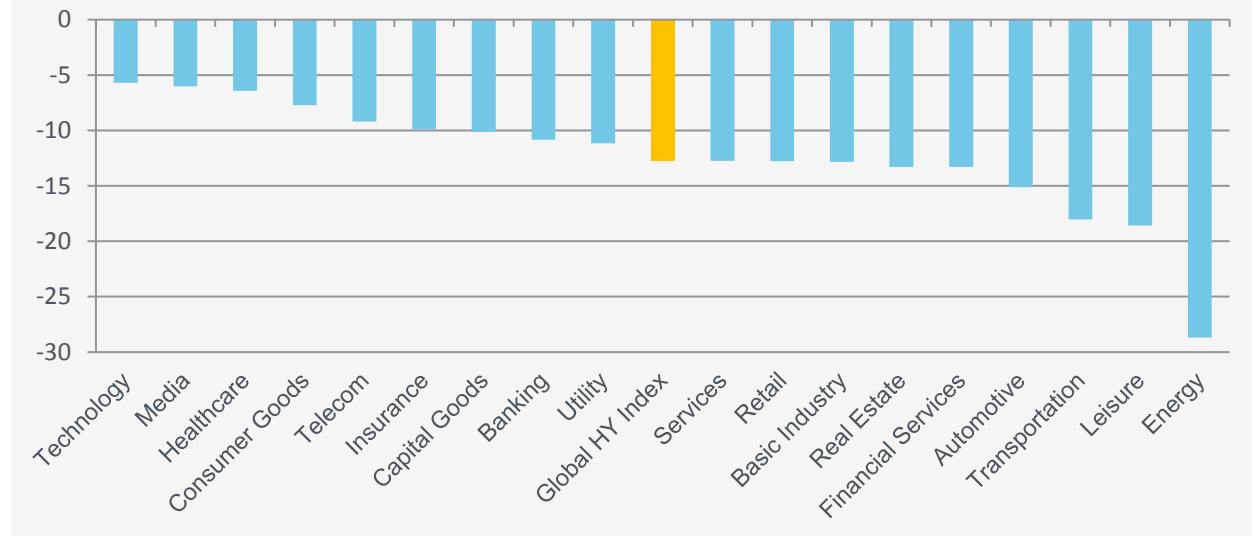
Table 1: US High Yield Index performance by rating and maturity

March	Total return				March	Excess return			
	0-5yr	5-10yr	10+yr	All		0-5yr	5-10yr	10+yr	All
US HY Index	(12.10)	(11.17)	(14.42)	(11.76)	US HY Index	(13.71)	(13.74)	(18.86)	(14.07)
BB	(8.42)	(9.19)	(12.57)	(9.27)	BB	(10.04)	(11.88)	(17.15)	(11.77)
B	(13.68)	(11.83)	(11.27)	(12.55)	B	(15.30)	(14.29)	(15.35)	(14.71)
BB minus B	5.26	2.65	(1.30)	3.28	BB minus B	5.26	2.41	(1.80)	2.95
Q1	0-5yr	5-10yr	10+yr	All	Q1	0-5yr	5-10yr	10+yr	All
US HY Index	(13.33)	(12.89)	(13.23)	(13.12)	US HY Index	(16.51)	(18.81)	(25.60)	(18.30)
BB	(9.47)	(10.54)	(10.57)	(10.23)	BB	(12.71)	(16.87)	(23.47)	(15.94)
B	(14.98)	(13.81)	(5.40)	(14.09)	B	(18.09)	(19.35)	(16.72)	(18.79)
BB minus B	5.52	3.27	(5.17)	3.86	BB minus B	5.39	2.48	(6.75)	2.86

The Energy sector lost a stunning 29% in March.

With the market down so much there were no winners to highlight. All sectors lost at least 5%, and 13 of 18 sectors lost around 10% or more. But none of the losses came close to matching Energy, which tumbled 29% in a single month as oil prices dropped precipitously. Back in October 2008 Energy was a middle of the pack performer with a 17.68% loss. Meanwhile four other sectors lost more than 20% during the October 2008 route, including Banking (-24%) and Real Estate (-25%).

Chart 1: Global High Yield Index (HW00) March 2020 total return by sector



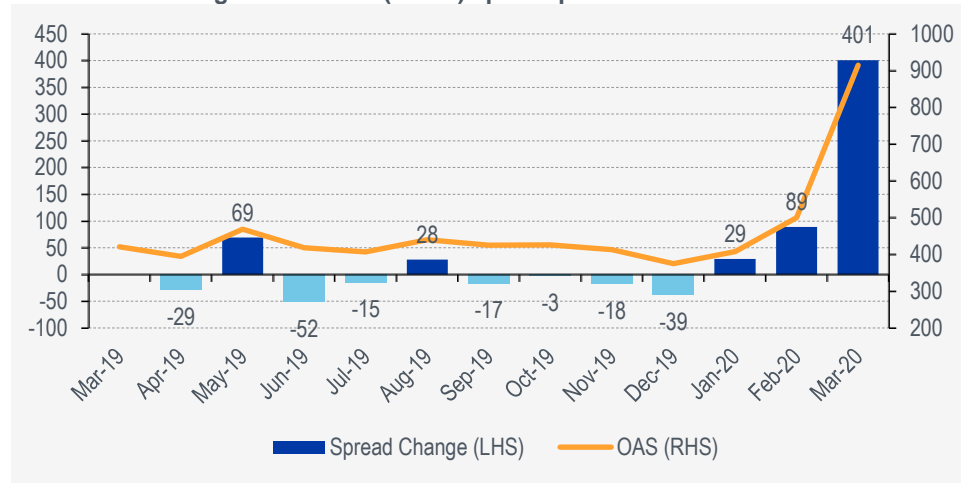
The downgrade volume in March was more than quadruple the \$34bn monthly average since 1999.

The volume of Global High Yield Index rating changes surged to its highest reading in exactly four years and sixth highest tally since 1999. More importantly, and not surprisingly in light of the impact that the COVID19 pandemic is already having on the global economy, almost all of the rating changes were downward (\$144bn in downgrades vs. just \$8bn in upgrades). The downgrade volume in March was more than quadruple the \$34bn monthly average since 1999. On a brighter note, only \$1.0bn in Global High Yield Index debt defaulted during the month. That is less than the \$2.4bn monthly average defaults since 1999, but we should probably expect that number to climb considerably in the coming months. Together, October and November 2008 saw a combined total of just \$6bn in defaults. But things picked up from there and the index averaged about \$11bn in defaults a month over the next year.

Performance

As the full impact of the COVID-19 pandemic came into view the Global High Yield Index spread widened 400bp to move above the 1,000bp for the first time since mid-2009.

Chart 1: Global High Yield Index (HW00) spread performance



All currency sub-index spreads widened by at least 80% MoM, with the CAD spread more than doubling.

Chart 2: Global High Yield Index spread by currency

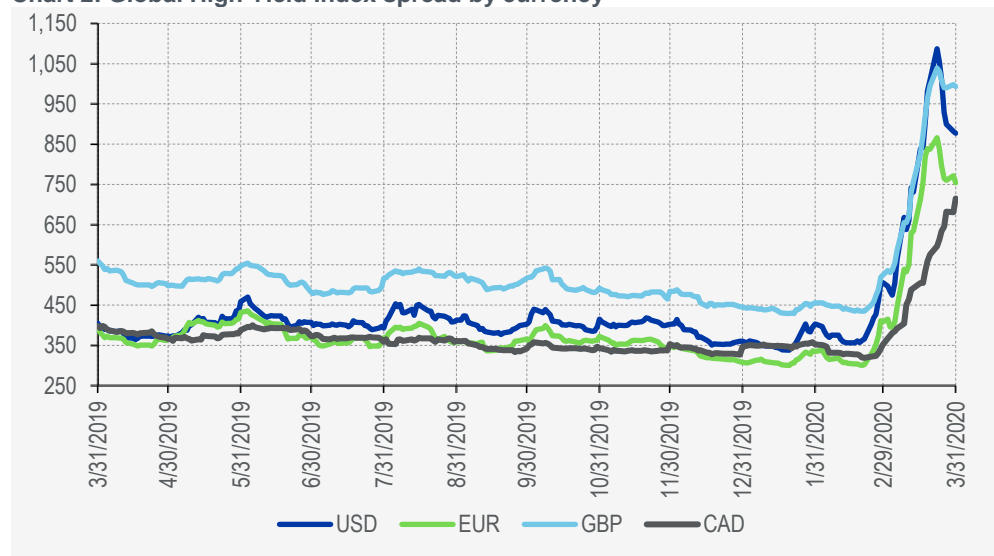


Table 1: Global High Yield Index return attribution by segment

	Cpn	Amort./ Roll	Curve Shift	Curve Reshape	Spread Change	Vol Return	Total Return	Excess Return
Month								
Global High Yield	0.47%	0.00%	1.05%	0.44%	-14.67%	-0.02%	-12.73%	-14.50%
US High Yield Master II	0.49%	0.01%	1.39%	0.54%	-14.16%	-0.02%	-11.76%	-14.07%
US High Yield (Cash Pay)	0.49%	0.01%	1.40%	0.54%	-14.11%	-0.02%	-11.71%	-14.03%
European Currencies	0.33%	-0.03%	-0.51%	0.14%	-13.11%	-0.02%	-13.20%	-12.82%
Euro High Yield	0.31%	-0.03%	-0.61%	0.14%	-12.99%	-0.02%	-13.21%	-12.71%
Sterling High Yield	0.48%	0.00%	0.30%	0.16%	-14.12%	0.00%	-13.19%	-13.71%
European Issuers	0.39%	-0.02%	0.15%	0.26%	-13.58%	-0.01%	-12.82%	-13.36%
Canadian High Yield	0.45%	-0.05%	0.61%	0.83%	-11.78%	0.00%	-9.95%	-11.69%
Canadian Issuers	0.51%	-0.01%	1.12%	0.61%	-18.52%	-0.01%	-16.30%	-18.39%
YTD								
Global High Yield	1.30%	-0.13%	3.12%	0.48%	-18.15%	-0.26%	-13.64%	-17.91%
US High Yield Master II	1.37%	-0.15%	3.50%	0.75%	-18.20%	-0.39%	-13.12%	-18.30%
US High Yield (Cash Pay)	1.37%	-0.15%	3.50%	0.75%	-18.15%	-0.39%	-13.06%	-18.25%
European Currencies	0.89%	-0.17%	0.85%	-0.30%	-15.74%	-0.03%	-14.51%	-14.97%
Euro High Yield	0.84%	-0.19%	0.78%	-0.33%	-15.71%	-0.03%	-14.63%	-14.96%
Sterling High Yield	1.28%	-0.09%	1.42%	-0.06%	-16.08%	-0.02%	-13.56%	-15.12%
European Issuers	1.07%	-0.17%	1.83%	0.01%	-16.45%	-0.10%	-13.80%	-15.88%
Canadian High Yield	1.28%	-0.14%	2.77%	1.00%	-12.94%	0.00%	-8.03%	-12.49%
Canadian Issuers	1.36%	-0.14%	2.91%	0.80%	-21.55%	-0.32%	-16.94%	-21.53%

Composition

Chart 3: HW00 % weight by currency

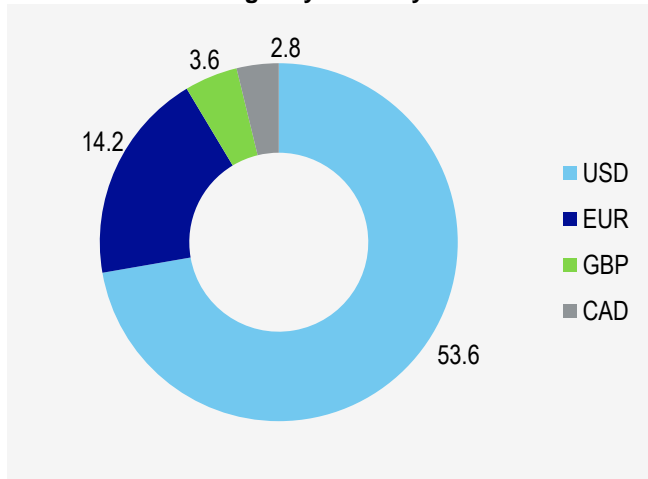


Chart 4: HW00 % weight by currency MOM change

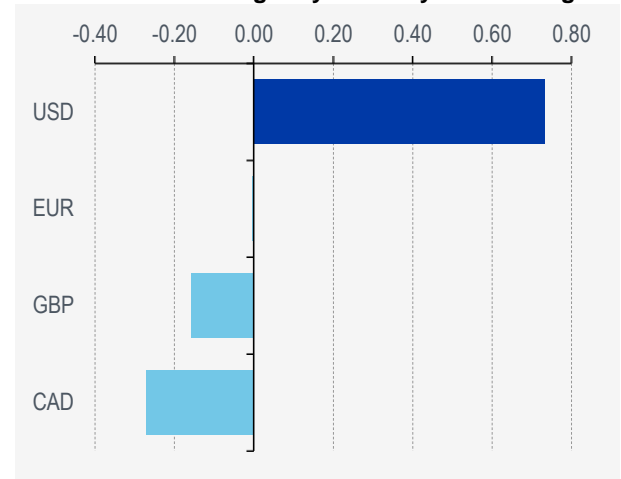


Chart 5: HW00 % weight by rating

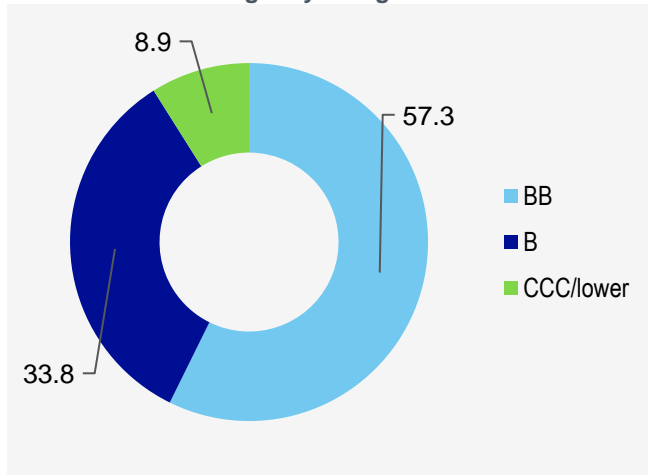


Chart 6: HW00 % weight by rating MOM change

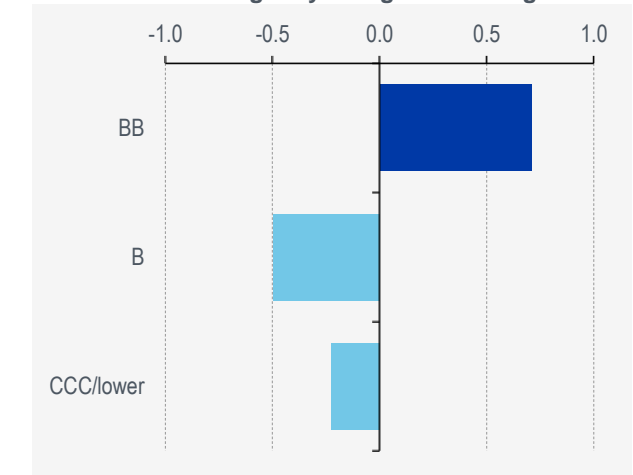


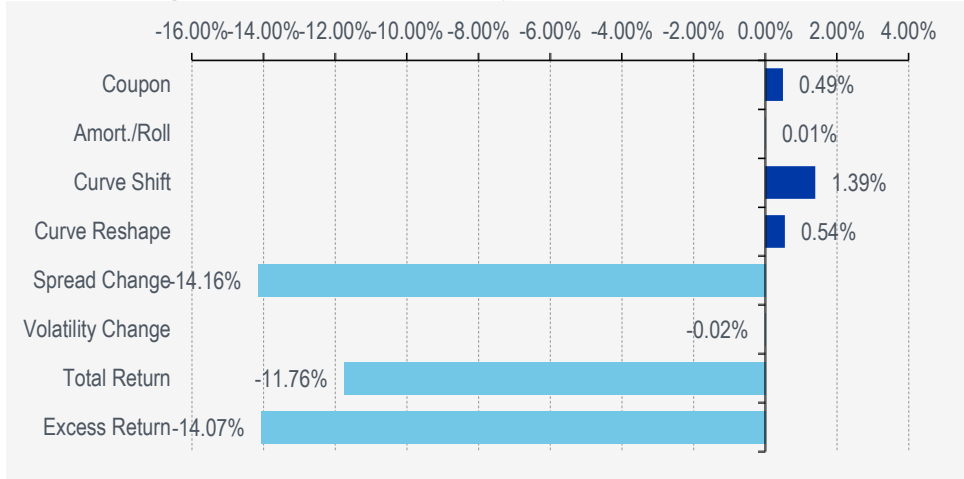
Table 2: Global High Yield Index sector weights

	3/31/2020							1-Month Change						
	Global	USD	Europe Issuers	EUR /GBP	EUR	GBP	CAD	Global	USD	Europe Issuers	EUR /GBP	EUR	GBP	CAD
Automotive	2.55	1.89	5.93	7.21	7.62	3.72	0.00	-0.04	-0.01	-0.16	-0.15	-0.15	-0.27	0.00
Banking	7.12	1.73	18.97	11.02	11.46	7.25	0.00	0.24	0.03	0.49	-0.01	-0.07	0.42	0.00
Basic Industry	10.13	10.30	10.19	9.46	10.48	0.75	9.33	-0.08	0.05	0.11	0.04	0.02	-0.01	-1.73
Capital Goods	5.55	6.68	4.82	6.94	7.30	3.88	1.22	0.15	0.13	0.28	0.33	0.33	0.29	-0.33
Consumer Goods	5.13	5.62	2.29	3.34	3.36	3.11	0.00	0.27	0.32	0.04	0.12	0.10	0.24	0.00
Energy	8.58	8.77	2.49	2.45	2.18	4.68	25.26	-1.93	-2.87	-0.62	-0.19	-0.16	-0.35	-3.25
Financial Services	4.89	4.49	4.02	5.17	4.60	10.00	0.00	-0.02	0.09	-0.28	-0.25	-0.16	-0.80	0.00
Healthcare	8.32	10.83	1.98	6.08	6.64	1.37	0.00	0.49	0.46	0.13	0.56	0.61	0.00	0.00
Insurance	1.08	1.11	1.74	1.93	1.79	3.16	0.00	0.04	0.05	0.04	0.05	0.08	-0.16	0.00
Leisure	3.85	4.90	2.03	3.01	2.80	4.80	0.00	-0.23	-0.27	-0.40	-0.57	-0.46	-1.44	0.00
Media	8.06	11.48	5.76	6.29	5.14	16.07	24.97	0.56	0.76	0.38	0.42	0.37	1.18	1.86
Real Estate	6.99	1.65	2.34	3.45	3.47	3.30	0.00	0.03	-0.02	-0.01	0.05	0.02	0.24	0.00
Retail	4.09	4.74	4.65	5.71	4.45	16.36	27.72	-0.03	-0.03	-0.11	-0.11	0.00	-0.68	1.85
Services	4.69	5.97	3.78	5.53	5.98	1.69	5.74	-0.05	0.19	-0.68	-0.89	-1.01	-0.02	0.88
Technology & Electronics	3.73	5.48	1.98	1.91	2.14	0.00	0.00	0.23	0.34	0.14	0.14	0.14	0.00	0.00
Telecommunications	9.63	10.64	19.04	12.52	12.98	8.59	0.00	0.36	0.52	0.58	0.22	0.15	0.65	0.00
Transportation	2.05	0.96	4.49	4.16	4.03	5.17	0.00	-0.10	0.01	-0.07	-0.05	-0.07	0.19	0.00
Utility	3.55	2.78	3.50	3.84	3.57	6.10	5.76	0.11	0.27	0.14	0.28	0.25	0.54	0.73

US High Yield Performance

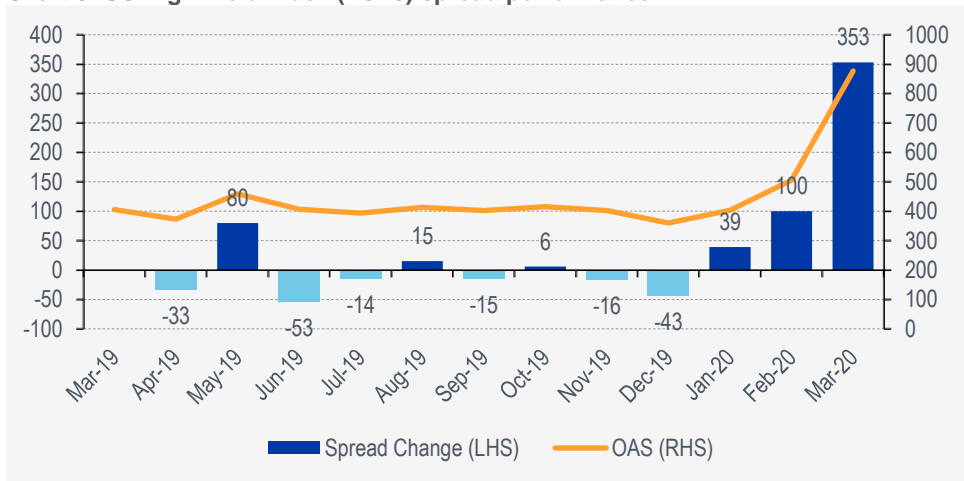
Spread widening ended up costing the index over 14%, leading to the worst one-month excess return since October 2008.

Chart 7: US High Yield Index (H0A0) monthly return attribution



The index spread moved over the 1,000bp level before retreating to 877bp by month end, 353bp wider than where it started.

Chart 8: US High Yield Index (H0A0) spread performance



Sector & Issuer Performance

Most of the hardest hit sectors were predictable given pandemic headlines. The global slowdown took the oil price to levels not seen in about 20 years. So it was not surprising that the Energy sector was, by far, the worst performer – losing a third of its value. With social distancing and stay-at-home policies being implemented globally, Air Transportation (-21%), Leisure (-21%) and Entertainment & Film (-25%) were also particularly hard hit. Doing little better were other sectors that depend on tourism and group activity, such as Hotels and Gaming (-15% and -17%), but also Super Retail (-17%) as non-essential stores are closed. Holding up far better in the credit sell-off were consumer staples sectors such as Food & Drug Retail (-2.82%) and Food, Beverage & Tobacco (-4.67%). Utilities (-3.97%) was also clearly a defensive safety sector, but so is Cable & Satellite TV (-2.83%), as people shelter at home and increasingly depend on these services for work as well as information and entertainment.

Table 3: US High Yield Index sector performance

Sector	Ticker	%weight	Total return		Excess return	
			Month	2020	Month	2020
US High Yield Index	H0A0	100.0	-11.76	-13.12	-14.07	-18.30
By rating						
BB	H0A1	52.6	-9.27	-10.23	-11.77	-15.94
B	H0A2	37.2	-12.55	-14.09	-14.71	-18.79
CCC & Lower	H0A3	10.3	-20.20	-22.43	-22.19	-26.91
By sector						
Healthcare	H0HL	10.8	-6.63	-6.33	-8.82	-11.08
Telecom	H0TC	10.6	-8.28	-7.20	-10.54	-12.30
Energy	H0EN	8.8	-33.77	-39.70	-36.14	-45.08
Cable & Satellite TV	H0CV	5.8	-2.83	-2.98	-5.02	-7.87
Technology	H0TY	5.5	-4.79	-5.09	-6.85	-9.74
Services	H0SE	5.4	-10.22	-11.13	-12.49	-16.13
Div. Financial Services	H0FI	4.5	-9.84	-10.69	-11.92	-15.31
Broadcasting	H0BR	4.1	-7.25	-8.55	-9.74	-14.37
Homebuilders & Real Estate	H0HB	3.9	-12.43	-12.53	-14.78	-18.02
Food, Beverage & Tobacco	H0FO	3.9	-4.67	-6.02	-7.92	-11.81
Containers	H0CT	3.1	-5.65	-6.14	-7.88	-11.11
Gaming	H0AG	3.1	-16.74	-18.85	-19.13	-24.21
Metals & Mining	H0ME	3.0	-9.72	-11.69	-12.18	-17.52
Utilities	H0EL	2.8	-3.97	-5.60	-6.46	-11.20
Super Retail	H0SR	2.6	-17.38	-16.90	-19.72	-22.45
Chemicals	H0CH	2.5	-8.94	-10.19	-11.36	-15.90
Aerospace	H0AE	2.2	-15.04	-16.13	-17.28	-21.20
Automotive & Auto Parts	H0AU	1.9	-13.52	-14.47	-15.86	-19.68
Banks & Thrifts	H0BA	1.7	-11.66	-9.85	-14.72	-17.91
Diversified Media	H0CO	1.7	-8.16	-8.23	-10.47	-13.42
Building Materials	H0BL	1.6	-8.83	-9.11	-10.94	-13.53
Capital Goods	H0CA	1.3	-9.64	-9.72	-11.57	-13.95
Diversified Media	H0DM	1.2	-9.90	-10.77	-11.97	-15.03
Insurance	H0IN	1.1	-8.92	-9.04	-11.31	-14.39
Food & Drug Retail	H0FR	1.1	-2.82	-2.79	-5.14	-7.89
Restaurants	H0RE	1.1	-8.08	-9.25	-10.64	-14.62
Hotels	H0AH	0.9	-14.98	-15.85	-17.18	-20.58
Transport Ex Air/Rail	H0SH	0.7	-9.77	-10.56	-11.50	-14.20
Leisure	H0LE	0.6	-20.96	-25.31	-23.40	-30.65
Environmental	H0EV	0.6	-6.36	-6.79	-8.40	-11.35
Paper	H0PA	0.5	-11.12	-12.81	-13.20	-17.21
Steel	H0ST	0.4	-12.32	-14.10	-14.25	-18.56
Publishing & Printing	H0PU	0.4	-10.88	-9.98	-12.66	-13.97
Entertainment & Film	H0ET	0.3	-24.84	-28.28	-27.18	-33.40
Air Transportation	H0AI	0.2	-21.41	-25.31	-23.17	-29.23
Railroad	H0RA	0.0	-2.63	-2.33	-3.78	-4.09

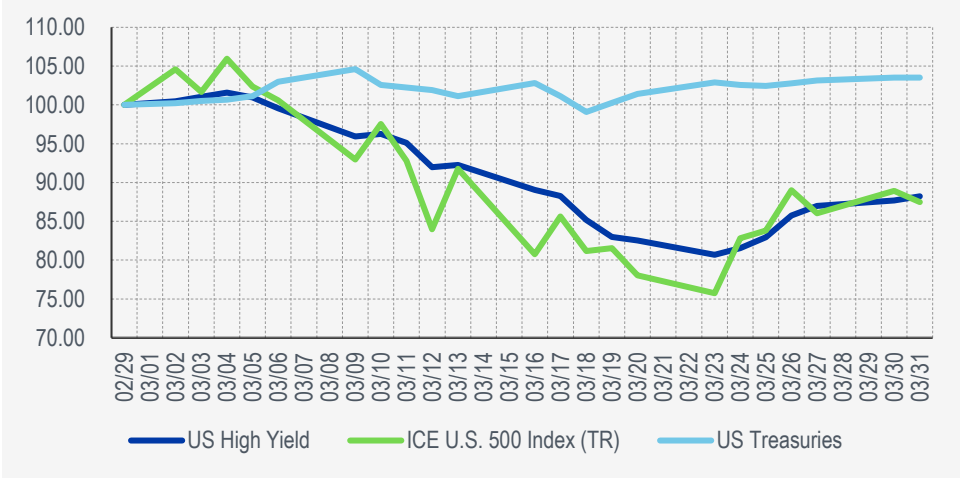
Only a handful of names could manage positive excess returns. The best performer was Intrade (+6.91% excess return), as the current remote work environment should support the company's cloud-based collaborative communication services. The worst performers feature a number of companies that lost practically all of their remaining value, led by Pioneer Energy (PESX -98% excess return), which filed for bankruptcy early in the month, as did Foresight Energy (FELPL -97%). Hornbeck Offshore (HOSS -82%) did little better following its distressed exchange. The pattern is clear, and more already-battered distressed Energy names are likely to lead to more attrition before long.

Table 4: US High Yield Index issuer returns

Ticker	%weight	Avg. Rating	OAS	OAS chg	Total return%	Excess return%
10 Best						
WSTC	0.065	CCC2	1,560	-140	9.12	6.91
AMETPR	0.033	BB2	545	1	3.48	0.24
FGP	0.101	CCC3	1,617	17	2.52	1.07
TFM	0.032	CCC2	4,215	126	2.03	0.56
PLASPK	0.036	B3	822	43	1.15	-1.37
VST	0.334	BB2	418	52	1.09	-1.46
UIS	0.039	B1	-	-217	0.40	0.13
COMPOL	0.026	CCC2	-	-352	0.34	0.12
RLNCE	0.031	BB2	486	167	0.23	-0.26
CSGRPE	0.033	B1	-	0	0.03	-0.17
10 Worst						
PESX	0.006	CCC3	10,000	0	-96.98	-97.88
FELP	0.001	C	10,000	0	-96.43	-96.73
SMLP	0.012	CCC1	10,000	8293	-91.86	-92.14
BRUINE	0.026	CCC1	10,000	6822	-84.22	-85.92
CRC	0.035	CCC3	10,000	1793	-84.06	-85.23
HOSS	0.012	CC	10,000	0	-80.92	-81.61
WLL	0.082	B1	10,000	5147	-80.54	-81.99
SUMMPL	0.051	B1	8,696	7521	-80.52	-82.56
UNTUS	0.021	CCC3	10,000	0	-76.58	-77.39
PRTY	0.046	CCC1	6,930	5443	-75.78	-78.04

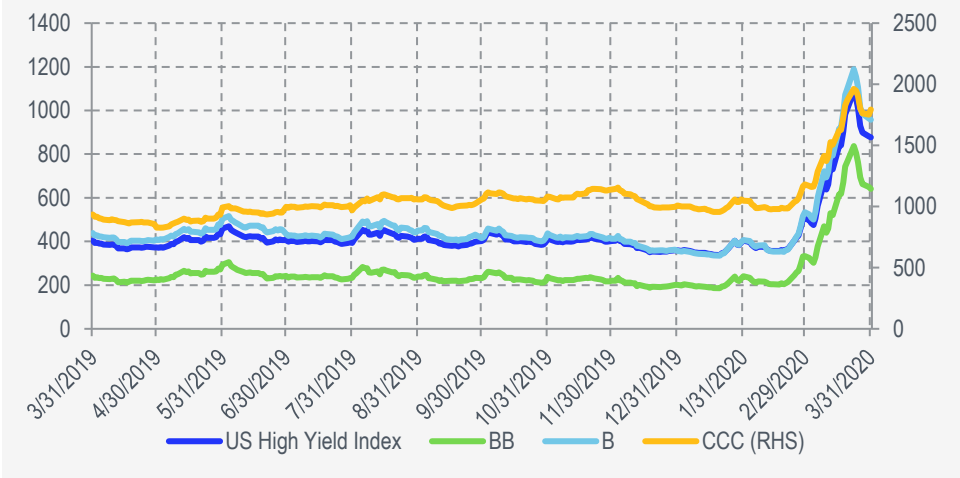
High yield largely tracked equities throughout the month and; in fact, the March return of the two is almost identical.

Chart 9: US High Yield vs. Equities and Treasuries



The worst widening on a percentage basis was clearly the highest-rated BB segment, which almost doubled (+92%). Meanwhile, the CCC-and-lower rated segment widened “just” 52% MoM.

Chart 10: US High Yield Index option-adjusted spreads vs. Treasuries



Composition

Chart 11: H0A0 % weight by rating

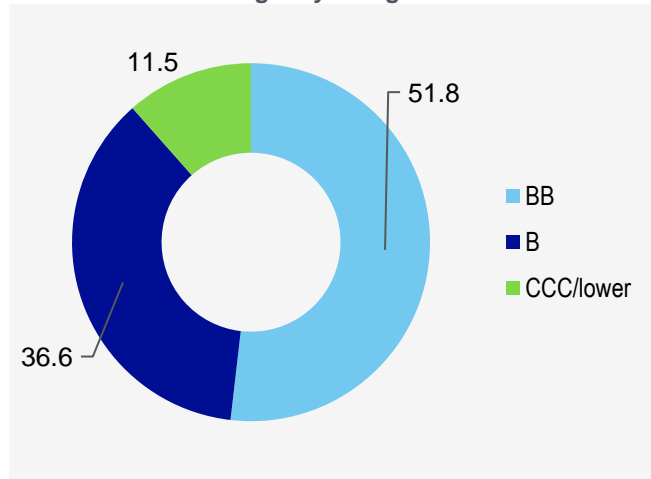


Chart 12: H0A0 % weight by rating MOM change

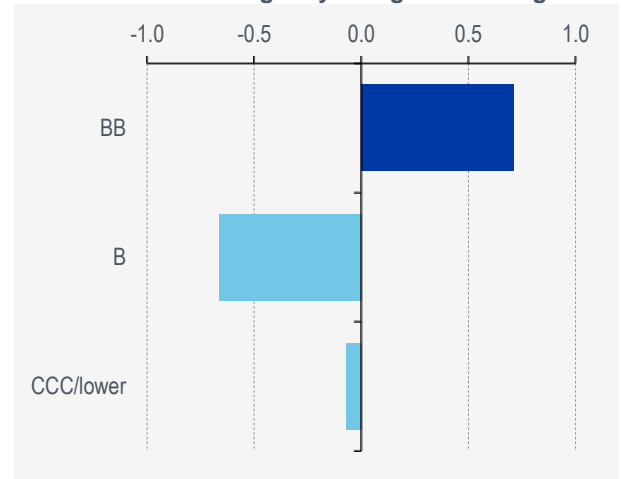


Chart 13: H0A0 % weight by sector

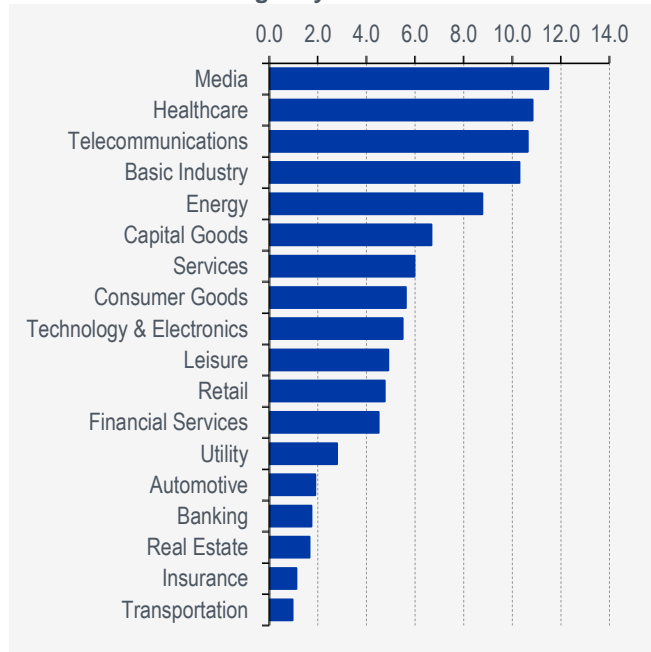
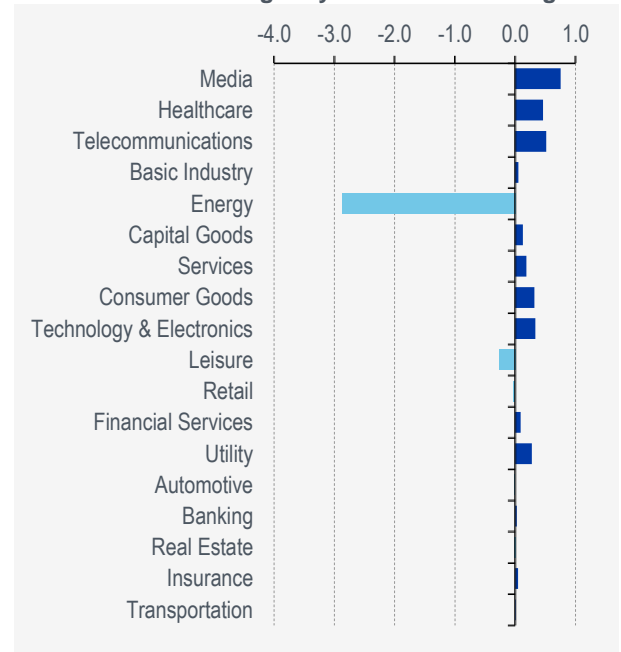


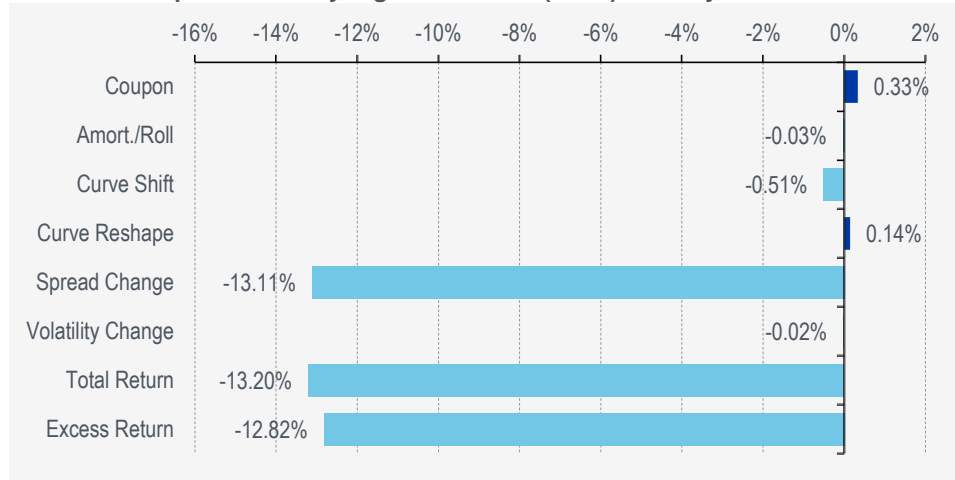
Chart 14: H0A0 % weight by sector MOM Change



European High Yield Indices

Spread widening was the only thing that mattered in March, as the yield curve and income netted out to close to zero.

Chart 15: European Currency High Yield Index (HP00) monthly return attribution



The index spread did not cross the 1,000bp mark in March but did touch its highest level since October 2011 (974bp high). The spread ended at 779bp, 347bp higher than where it started the month.

Chart 16: European Currency High Yield Index (HP00) spread performance

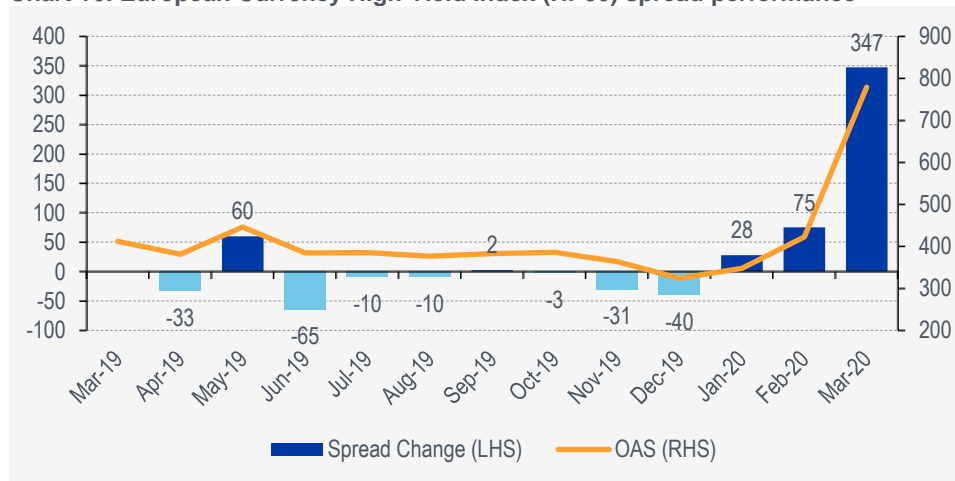


Table 5: European High Yield Index returns

	Ticker	Local Return	Excess Return	Currency Return Unhedged				Currency Return Hedged			
				EUR	GBP	USD	JPY	EUR	GBP	USD	JPY
Month											
European Currencies	HP00	-13.20	-12.82	-13.47	-10.96	-13.56	-13.49	-13.18	-13.45	-12.97	-13.15
Euro Currencies	HE00	-13.21	-12.71	-13.21	-10.69	-13.30	-13.23	-13.21	-13.49	-13.00	-13.18
Sterling	HL00	-13.19	-13.71	-15.64	-13.19	-15.73	-15.66	-12.92	-13.19	-12.72	-12.90
European Issuers	HWPO	-12.82	-13.36	-12.98	-10.46	-13.08	-13.00	-12.87	-13.14	-12.67	-12.85
European Currencies Constrained	HPC0	-13.23	-12.85	-13.49	-10.98	-13.59	-13.52	-13.20	-13.48	-12.99	-13.17
Euro Constrained	HEC0	-13.23	-12.75	-13.23	-10.72	-13.33	-13.26	-13.23	-13.51	-13.03	-13.21
European Issuer Constrained	HQ0C	-12.85	-13.38	-13.01	-10.49	-13.11	-13.03	-12.90	-13.17	-12.70	-12.88
Global High Yield	HW00	-12.73	-14.50	-12.72	-10.18	-12.81	-12.74	-12.89	-13.15	-12.68	-12.86
YTD											
European Currencies	HP00	-14.51	-14.97	-14.91	-11.13	-16.82	-17.37	-14.50	-14.63	-13.96	-14.41
Euro Currencies	HE00	-14.63	-14.96	-14.63	-10.84	-16.55	-17.10	-14.63	-14.77	-14.10	-14.55
Sterling	HL00	-13.56	-15.12	-17.23	-13.56	-19.09	-19.63	-13.44	-13.56	-12.91	-13.37
European Issuers	HWPO	-13.80	-15.88	-13.39	-9.55	-15.34	-15.90	-13.98	-14.11	-13.45	-13.91
European Currencies Constrained	HPC0	-14.55	-15.00	-14.95	-11.18	-16.86	-17.41	-14.54	-14.67	-14.00	-14.45
Euro Constrained	HEC0	-14.69	-15.00	-14.69	-10.90	-16.60	-17.16	-14.69	-14.83	-14.15	-14.60
European Issuer Constrained	HQ0C	-13.87	-15.92	-13.46	-9.62	-15.40	-15.96	-14.05	-14.18	-13.52	-13.97
Global High Yield	HW00	-13.64	-17.91	-12.12	-8.23	-14.10	-14.67	-14.07	-14.18	-13.54	-13.99

Predictably, already-struggling holiday travel company Travelex was the worst performer. It was joined by cinema chain AMC at the bottom of the rankings as consumers were asked to stay home during the pandemic.

Table 6: European Currency High Yield Index issuer returns

Ticker	%weight	Avg. Rating	OAS	OAS chg	Total return%	Excess return%
5 Best						
KPERST	0.049	CCC2	4,100	62	1.54	1.81
MOBYIT	0.026	C	6,169	193	0.83	1.06
EIGLN	0.340	B1	541	-31	-0.45	-0.97
PICSUR	0.076	CCC1	910	24	-0.70	-0.19
ICELTD	0.195	B2	1,076	62	-0.71	-1.26
5 Worst						
TRVLEX	0.082	B3	10,000	8069	-71.43	-71.21
AMC	0.142	CCC1	3,929	2995	-61.70	-62.25
CDRSM	0.123	B3	9,369	7835	-58.64	-58.48
MULCEN	0.122	B1	4,185	2889	-50.27	-49.93
DOUGR	0.155	CCC1	4,090	2841	-45.30	-45.02

Table 7: European high yield index characteristics

Index	Ticker	Issues	31-Mar			Change vs Prior Month			
			MktVal (EUR)	YTW	Mod Dur	Issues	MktVal (EUR)	YTW	Mod Dur
European Currency	HP00	671	313,383	7.33	4.04	-7	-55,417	3.66	0.26
Euro Currencies	HE00	577	280,247	7	4.06	-5	-48,496	3.57	0.24
Sterling	HL00	94	33,136	10.08	3.91	-2	-6,922	4.43	0.46
European Issuers	HWPO	804	387,037	8.1	3.93	-8	-65,327	3.58	0.24

Composition

Chart 17: HP00 % weight by rating

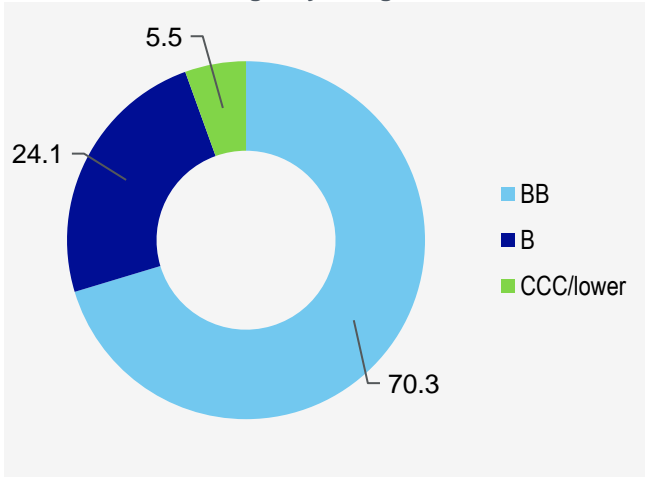


Chart 18: HP00 % weight by rating MOM change

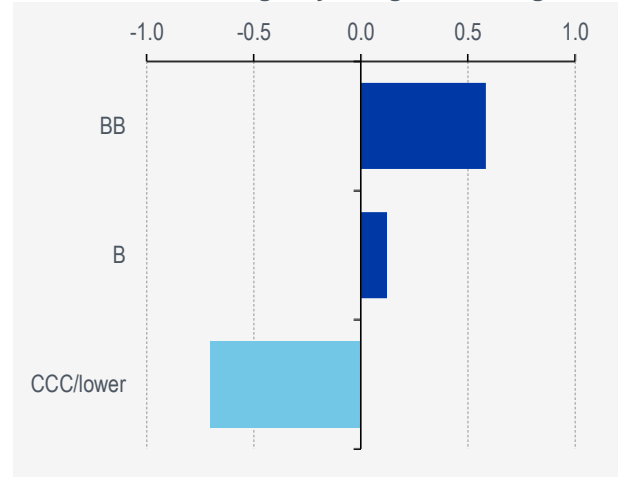


Chart 19: HP00 % weight by sector

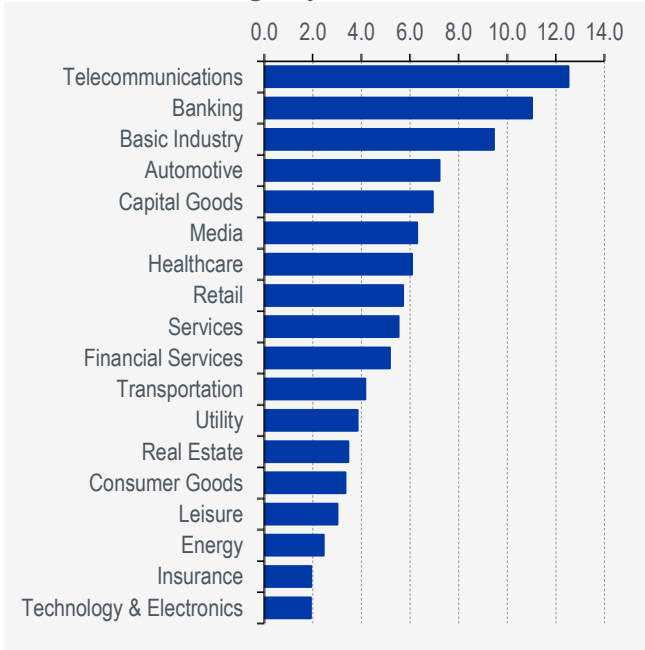
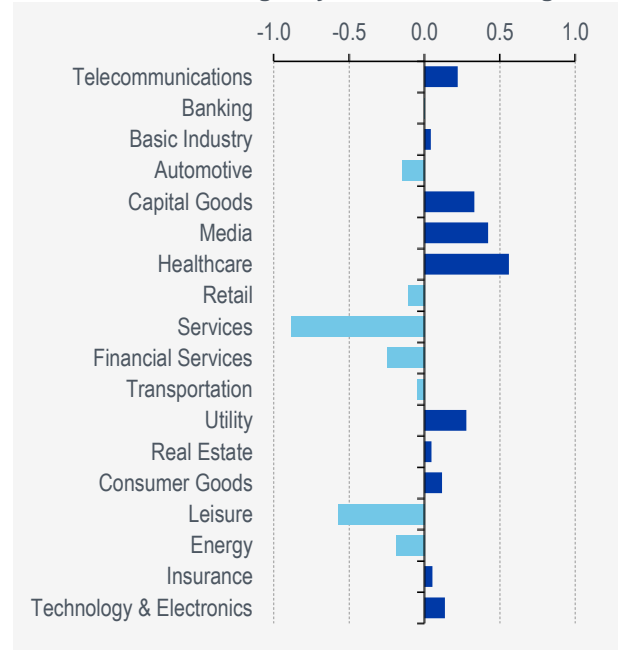


Chart 20: HP00 % weight by sector MOM Change



Canadian High Yield Indices

Thanks to a nearly 30% allocation to the Energy sector, C\$ high yield saw its worst one-month performance in the 22-year history of the index.

Chart 21: Canadian High Yield Index (HC00) monthly return attribution

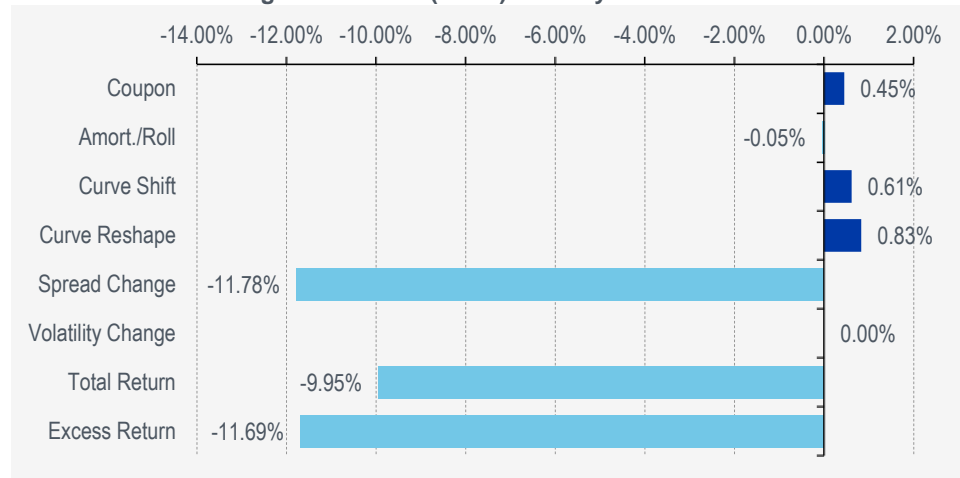


Chart 22: Canada High Yield Index (HP00) spread performance

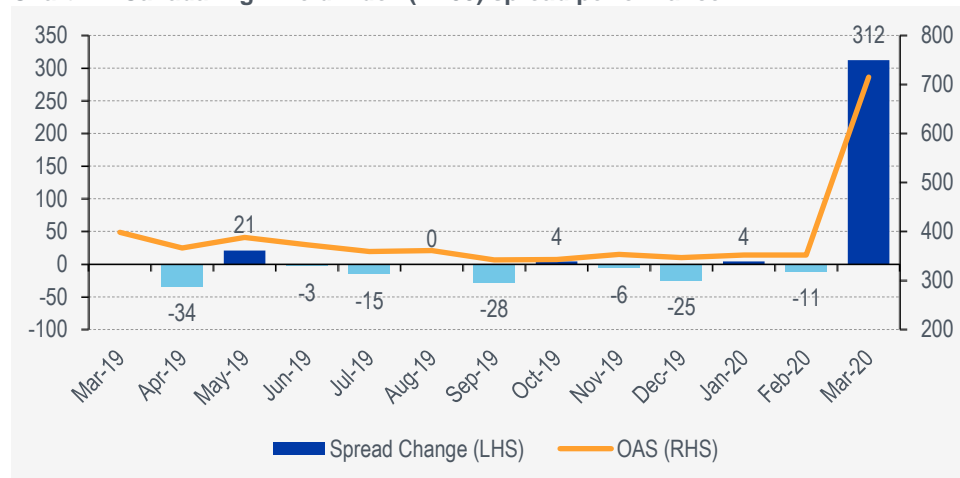


Table 8: Canadian high yield index characteristics

	Ticker	Issues	Total Return		Excess Return	
			March	2020	March	2020
Canada High Yield Index	HC00	30	0.69	2.13	-0.24	-0.55
Global High Yield, Canadian Issuers Index	HWC0	126	-0.57	-0.75	-1.88	-3.21

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