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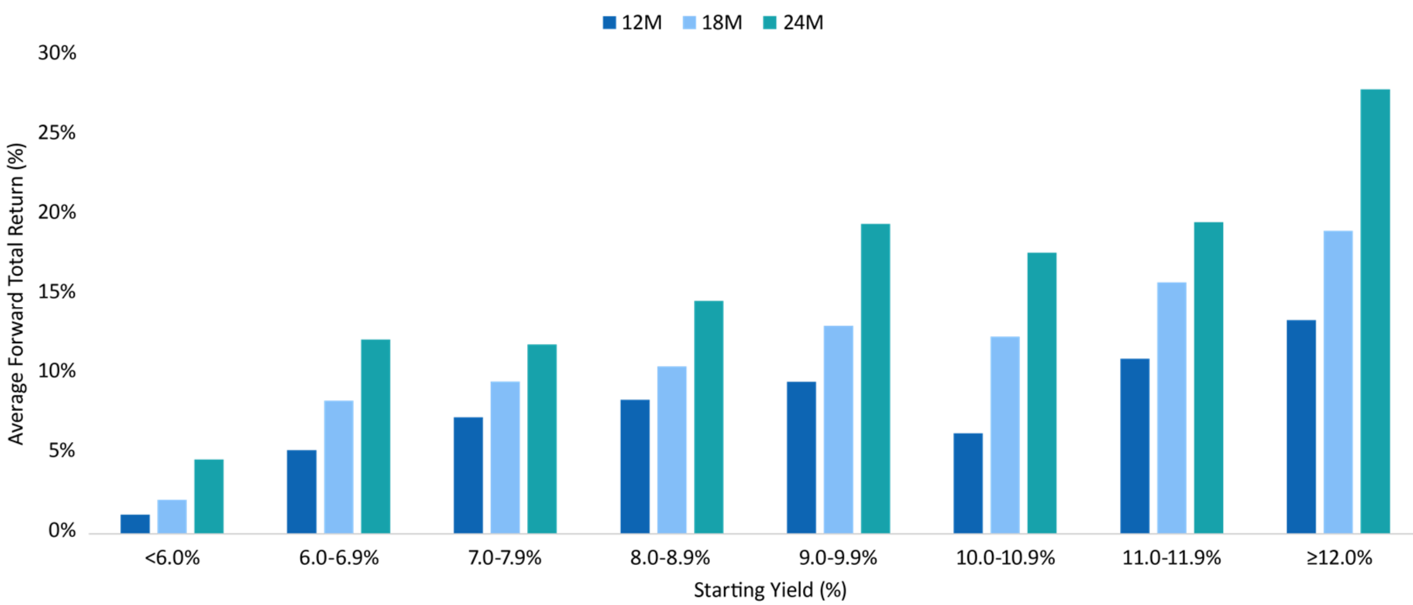
HISTORICALLY, HIGHER YIELDS SIGNALED INCREASED HY BOND RETURNS

We analyzed nearly 40 years of the Bloomberg U.S. Corporate High Yield Index and plotted starting yield-to-worst against subsequent 12-,18-, and 24-month total returns. Historically, higher starting yields coincided with higher subsequent returns. Given the current yield environment, investors may want to consider an allocation to High-Yield bonds.

Starting Yields Drive HY Bond Returns Over Multiple Decades



Past performance does not guarantee future results. Investing involves risk, including loss of principal. Source: Bloomberg Indices as of 01/1987 to 12/2025. The Bloomberg US Corporate High-Yield Index measures the USD-denominated, high-yield, fixed-rate corporate bond market. Yield to worst is the lowest potential yield that can be received on a bond without the issuer defaulting. This analysis is based on monthly yield-to-worst observations for the Bloomberg U.S. Corporate High Yield Index from January 1987 through December 2025. For each month, the starting yield-to-worst was recorded and grouped into yield ranges. Subsequent 12-, 18-, and 24-month total returns were then calculated from each monthly starting point. The chart presents the average subsequent total returns for each time horizon within each starting yield range.

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