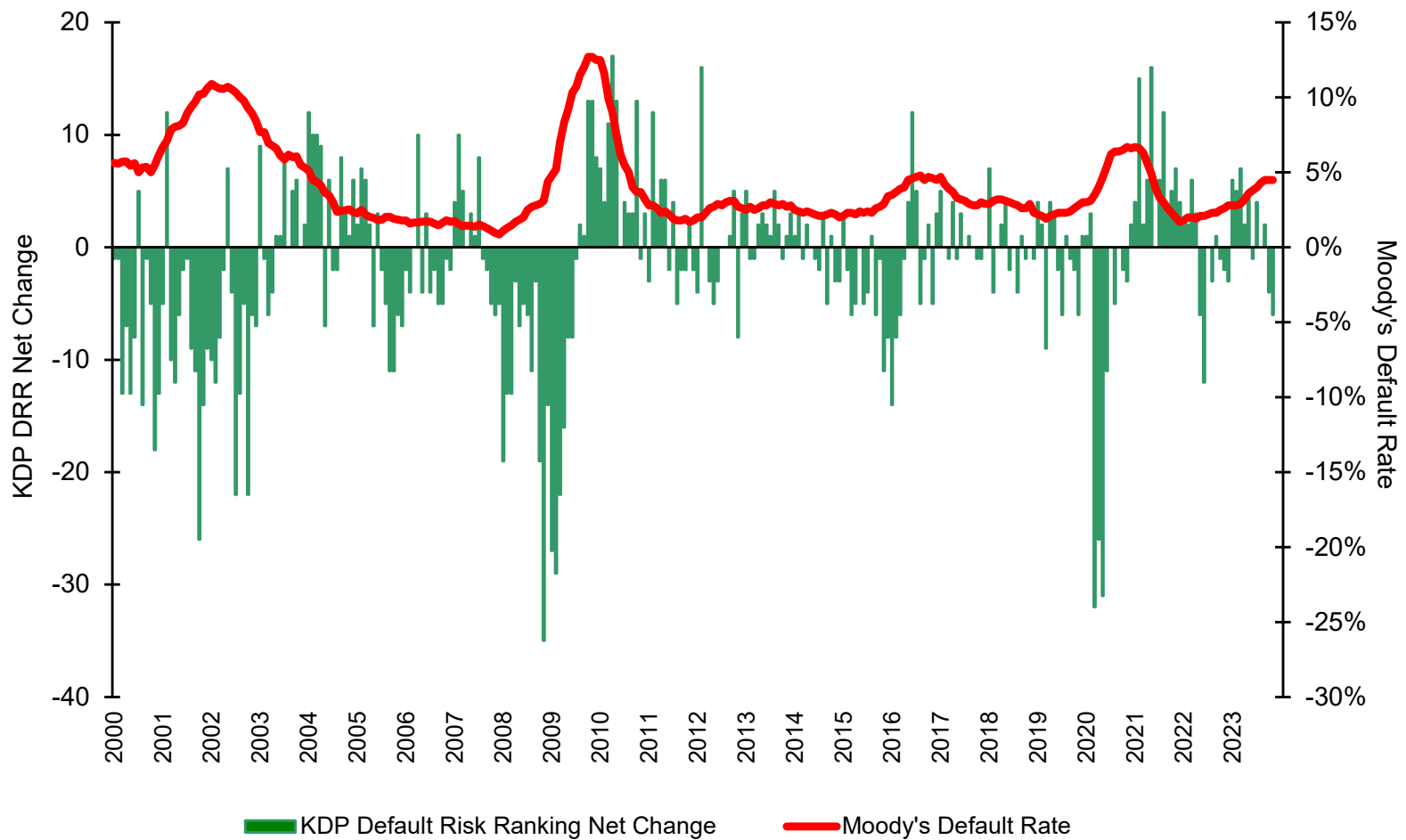




High Yield Review

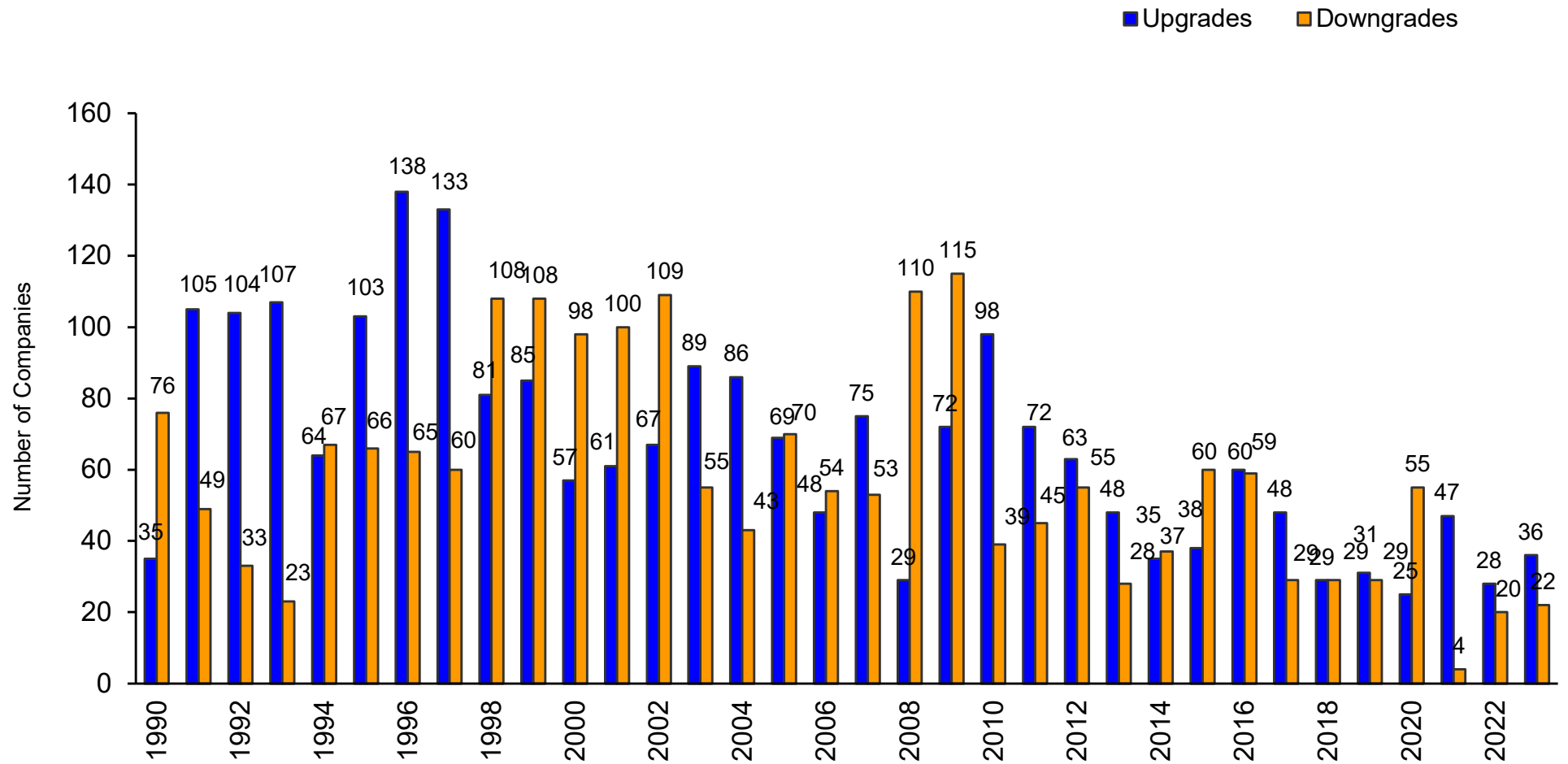
Data as of 11/30/2023

KDP Default Risk Ranking Net Changes



Source: KDP

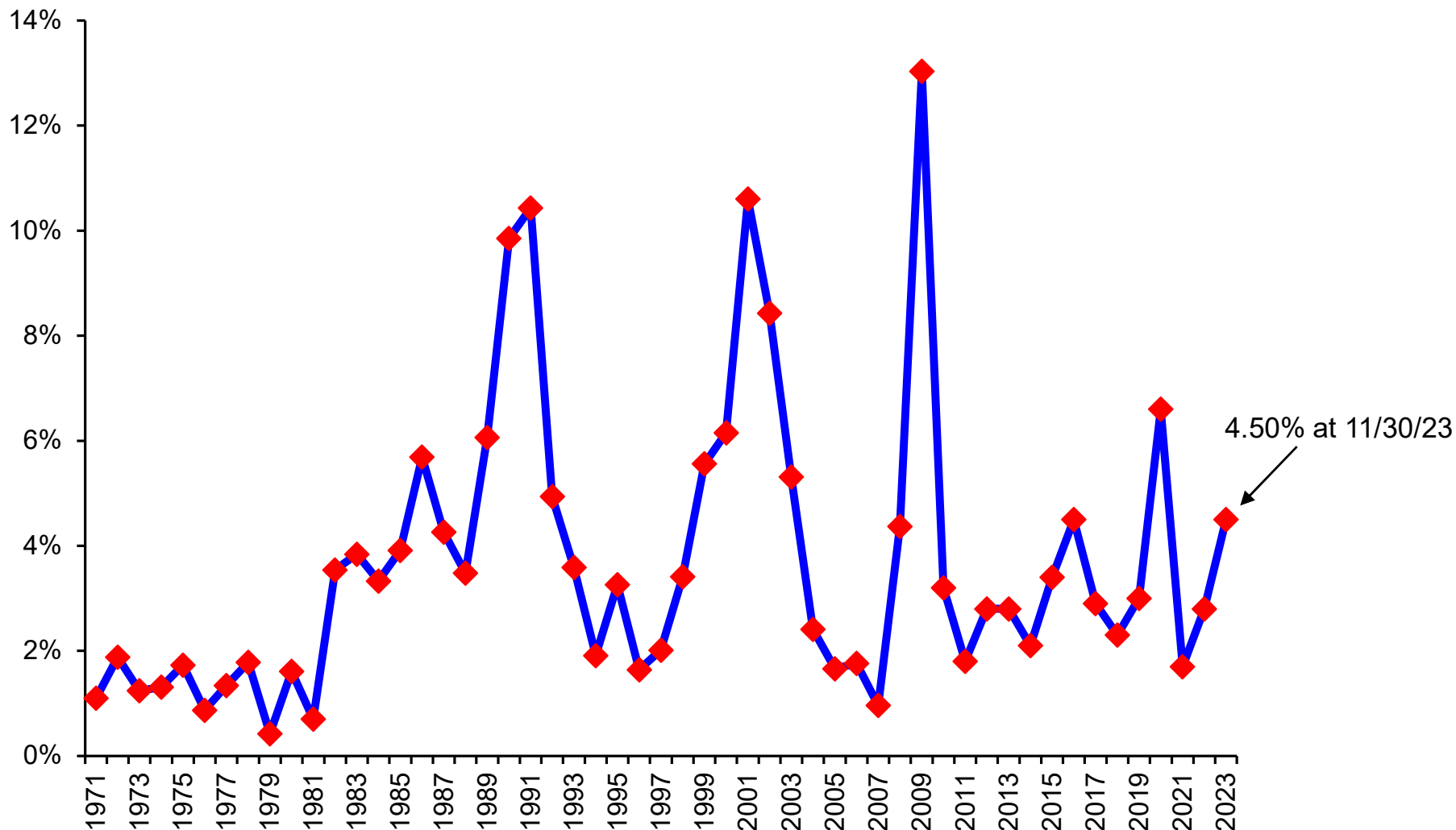
KDP Default Risk Changes Historical By Year



Source: KDP

Moody's Historical High Yield Default Rate

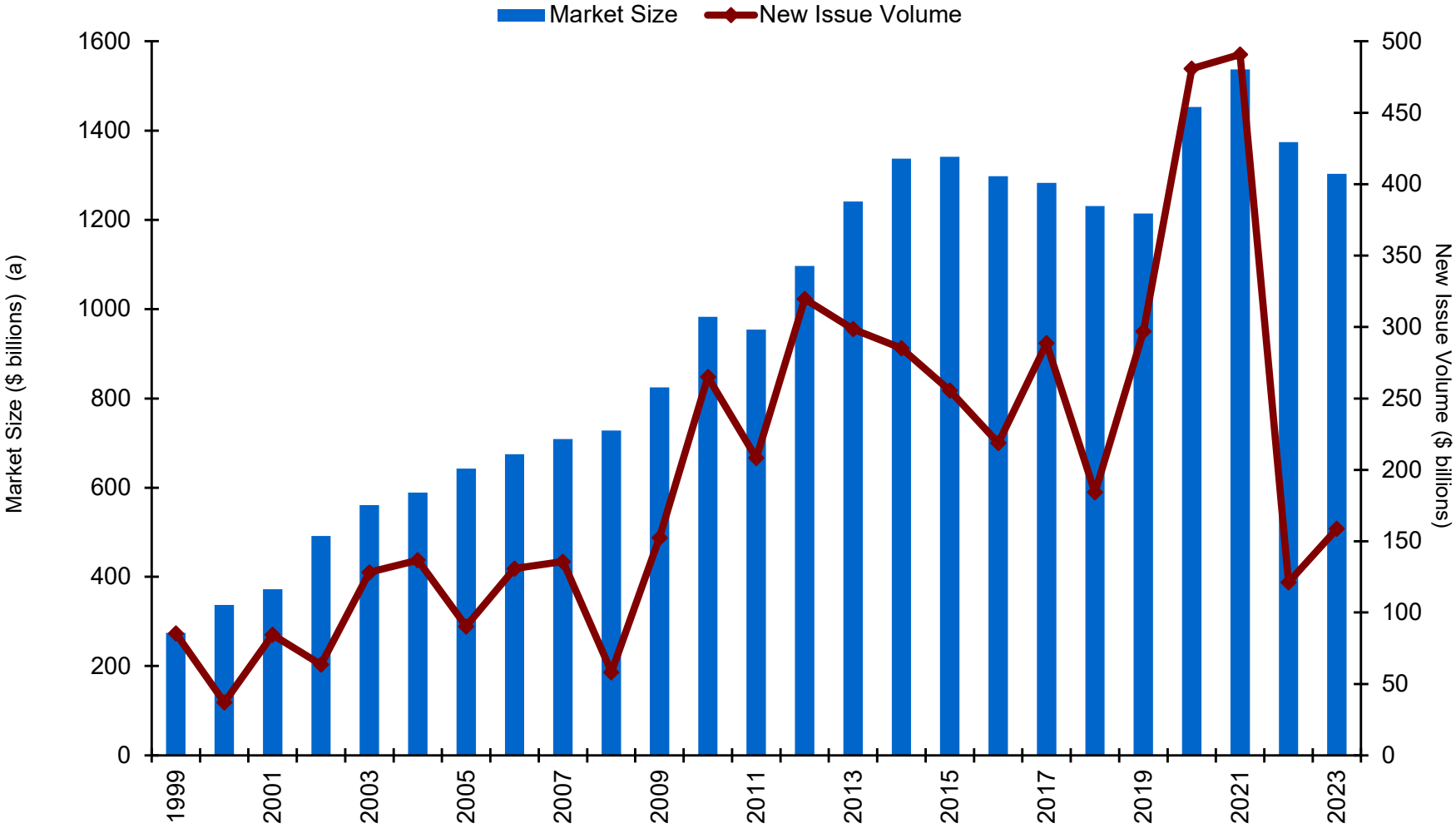
1971 – 2023



Note: Defaults based on global (developed and emerging market) Moody's-rated universe.

Source: Moody's Investor Service, BofA Merrill Lynch Global Research

High Yield Market Size and New Issue Volume



Source: BofA Merrill Lynch, ICE Data Indices LLC; KDP Investment Advisors, Inc.

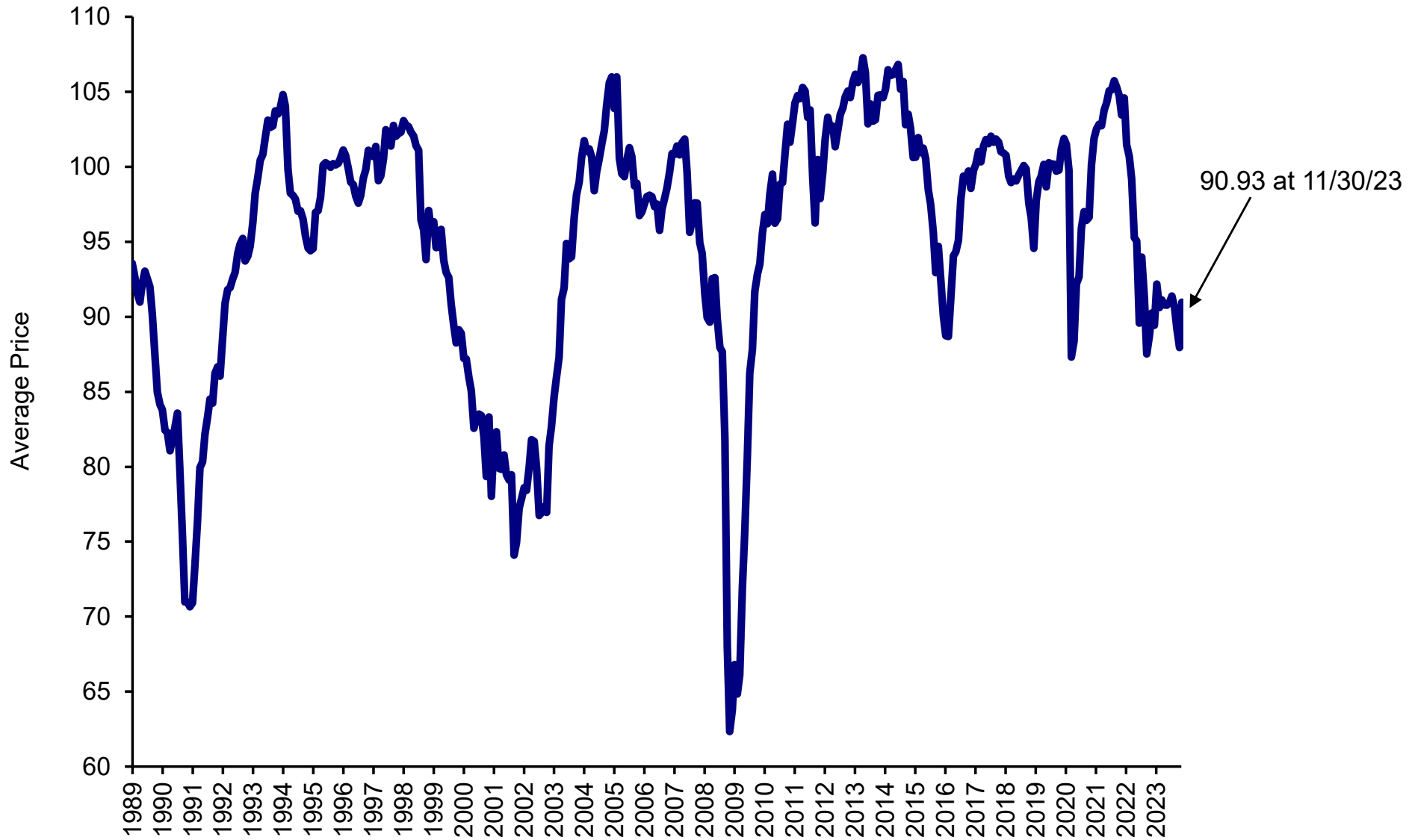




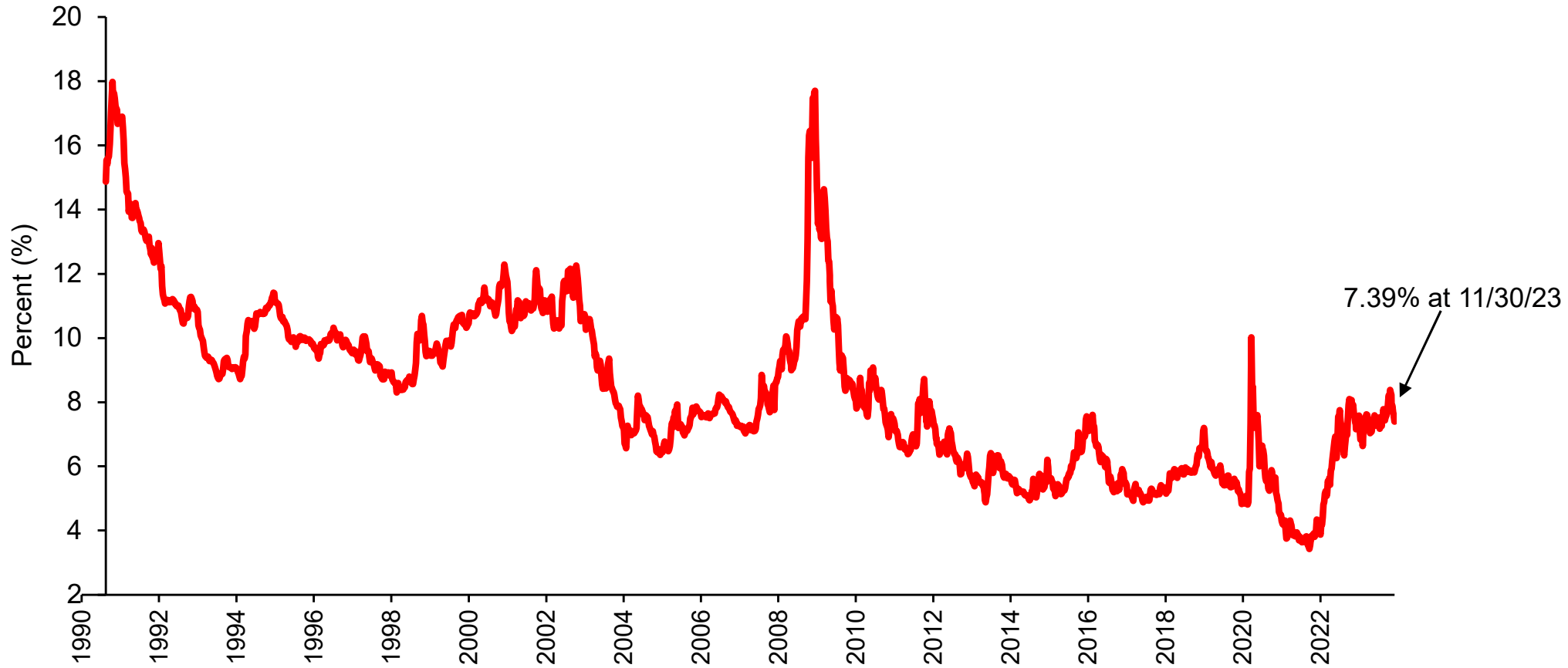
Source: KDP

Scaled to equal 100 at 12/31/92

KDP Universe High Yield Bond Price

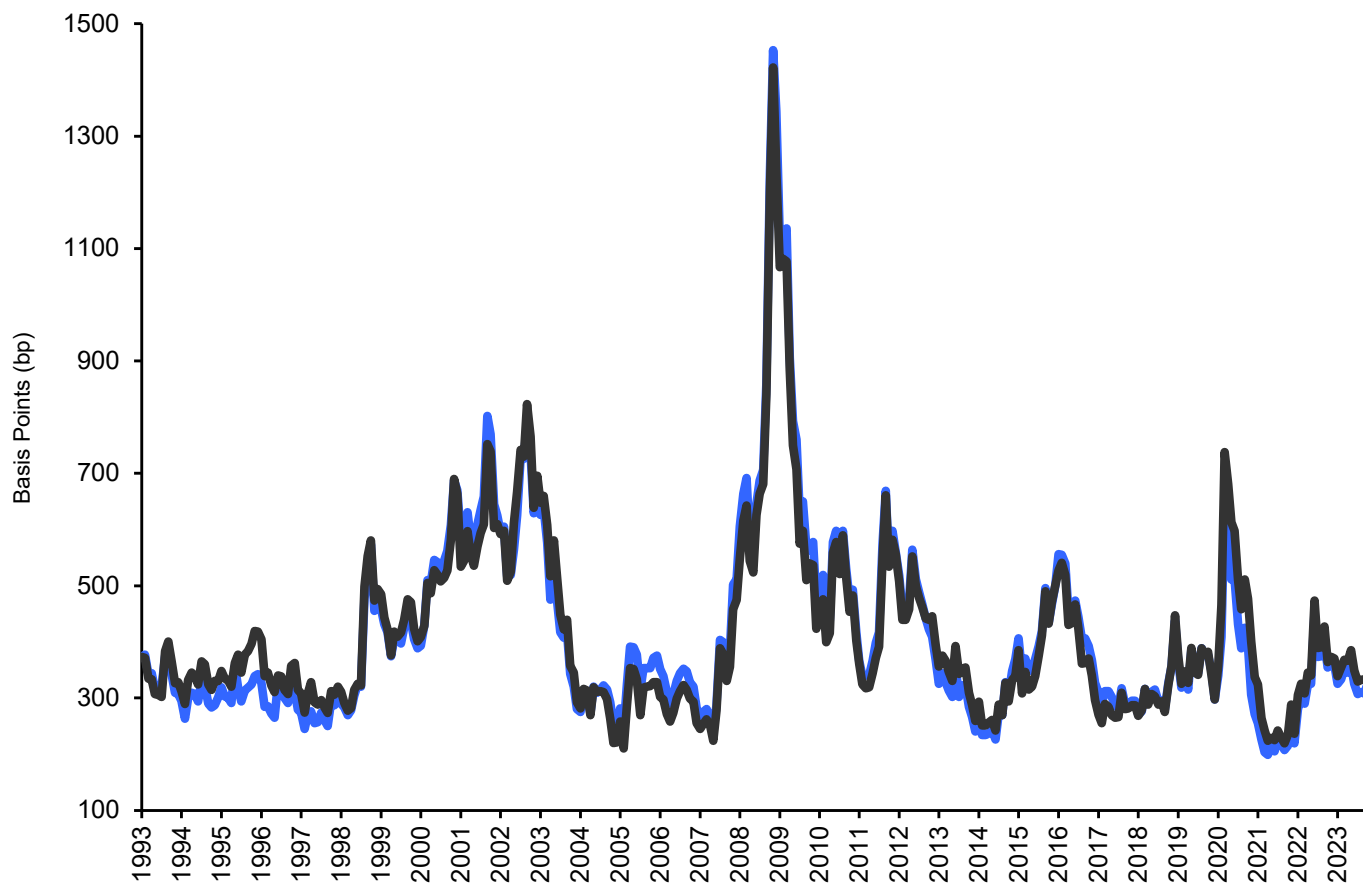


Source: KDP



Source: KDP

Yield Spreads To 10-Year Treasury



Source: KDP, Bloomberg

KDP High Yield Index
KDP Universe

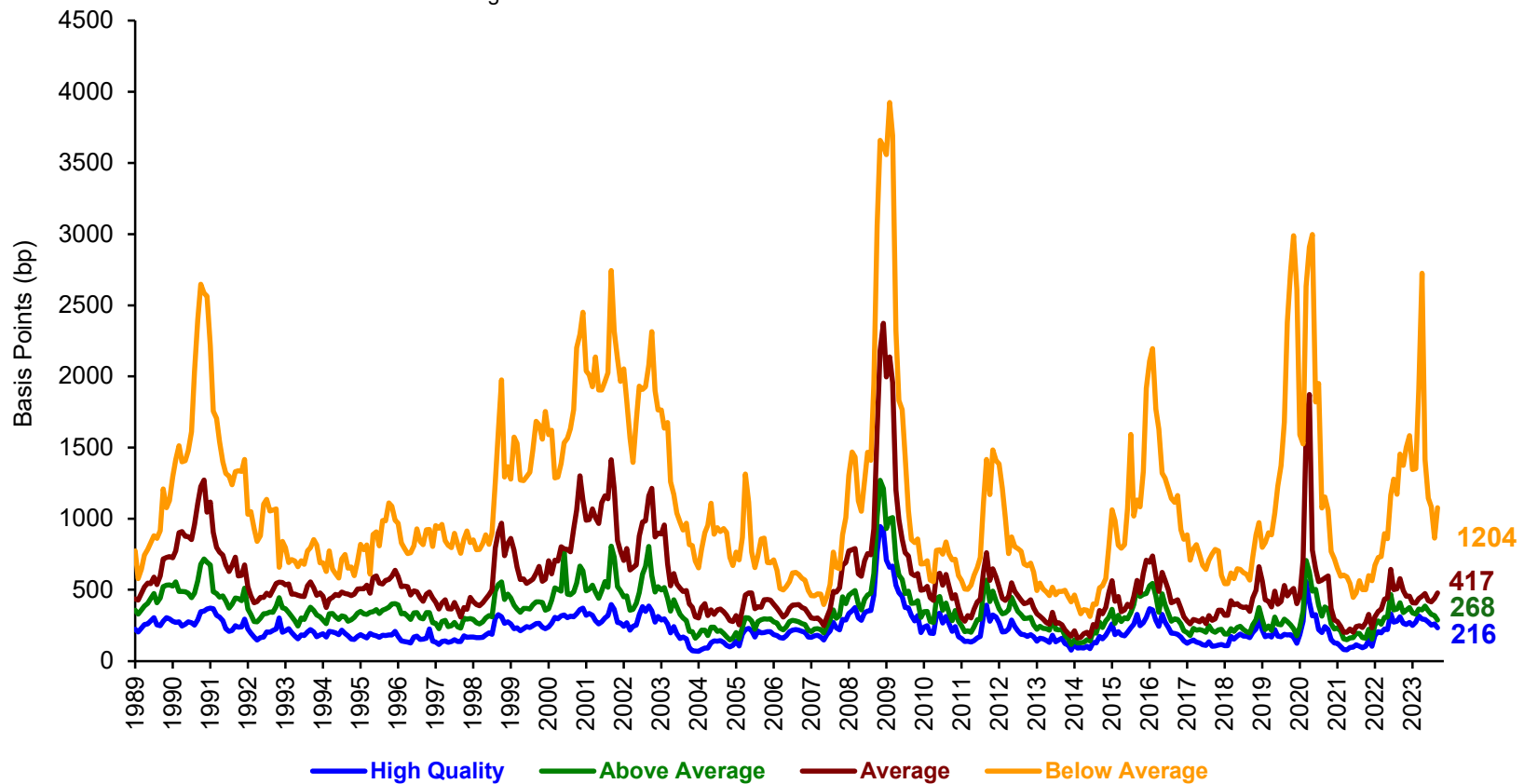
KDP Universe
Avg. bp spread

KDP HY Index
Avg. bp spread

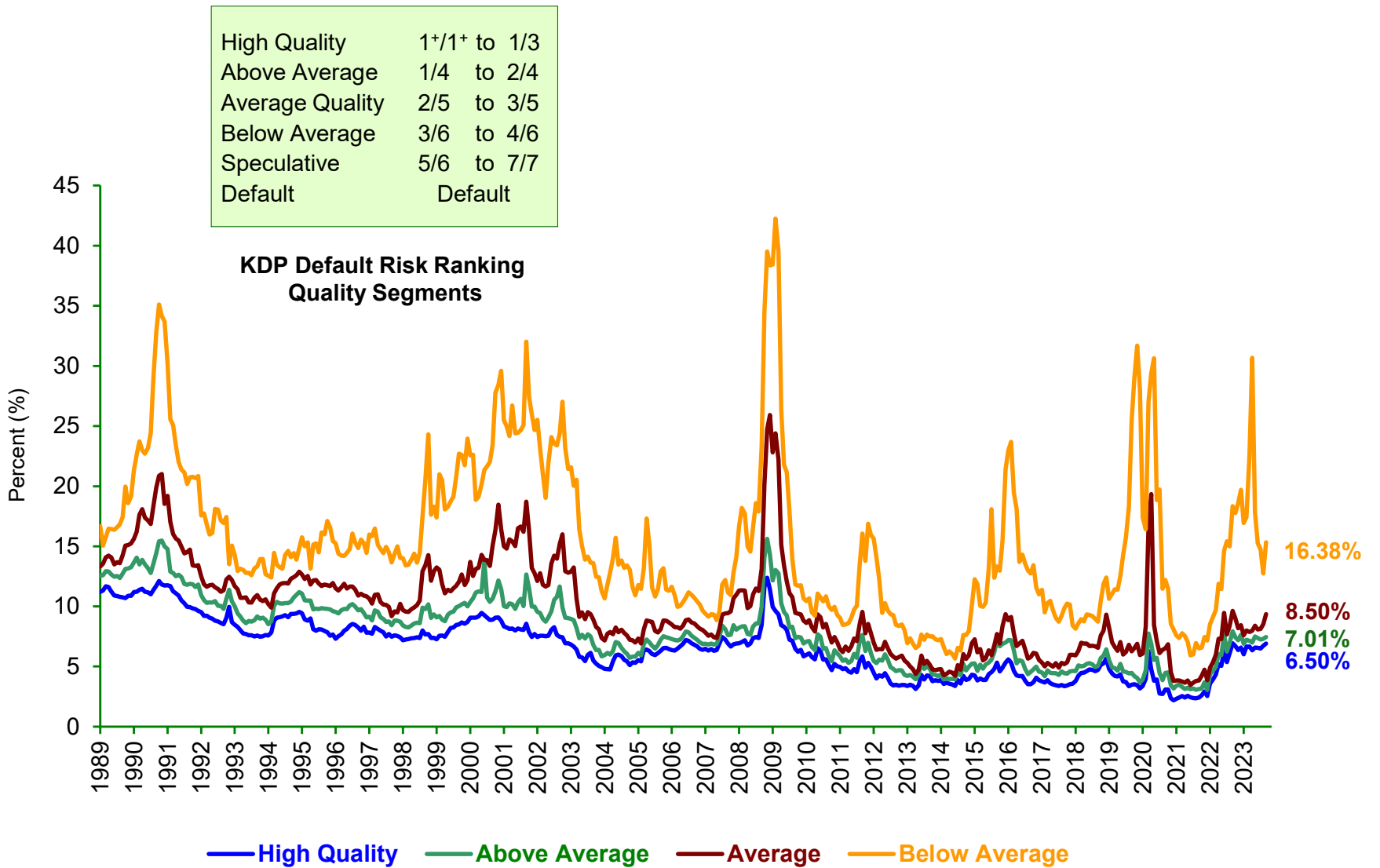
| | |
|------------|------------|
| 1992 - 372 | 1992 - 400 |
| 1993 - 343 | 1993 - 344 |
| 1994 - 299 | 1994 - 330 |
| 1995 - 318 | 1995 - 368 |
| 1996 - 299 | 1996 - 338 |
| 1997 - 270 | 1997 - 299 |
| 1998 - 388 | 1998 - 404 |
| 1999 - 416 | 1999 - 432 |
| 2000 - 544 | 2000 - 530 |
| 2001 - 642 | 2001 - 604 |
| 2002 - 641 | 2002 - 658 |
| 2003 - 459 | 2003 - 486 |
| 2004 - 295 | 2004 - 286 |
| 2005 - 344 | 2005 - 306 |
| 2006 - 325 | 2006 - 291 |
| 2007 - 348 | 2007 - 325 |
| 2008 - 836 | 2008 - 796 |
| 2009 - 774 | 2009 - 729 |
| 2010 - 511 | 2010 - 488 |
| 2011 - 459 | 2011 - 443 |
| 2012 - 465 | 2012 - 463 |
| 2013 - 309 | 2013 - 339 |
| 2014 - 279 | 2014 - 284 |
| 2015 - 408 | 2015 - 391 |
| 2016 - 445 | 2016 - 420 |
| 2017 - 295 | 2017 - 279 |
| 2018 - 314 | 2018 - 312 |
| 2019 - 353 | 2019 - 351 |
| 2020 - 504 | 2020 - 429 |
| 2021 - 246 | 2021 - 221 |
| 2022 - 358 | 2022 - 370 |
| 2023 - 308 | 2023 - 306 |

KDP Universe Spreads By Quality Sector

| | KDP Rank | 10/31 1990 | 9/30 2002 | 12/31 2008 | 89-'23 Avg. |
|---------------|--------------|---------------|--------------|---------------|----------------|
| High Quality | 1+/1+ to 1/3 | 347 | 387 | 918 | 226 |
| Above Average | 1/4 to 2/4 | 679 | 805 | 1211 | 356 |
| Average | 2/5 to 3/5 | 1224 | 1160 | 2372 | 555 |
| Below Average | 3/6 to 4/6 | 2647 | 2081 | 3616 | 1112 |



Source: KDP



Source: KDP

KDP HY Daily Index Yield and 10-Year Treasury Yield

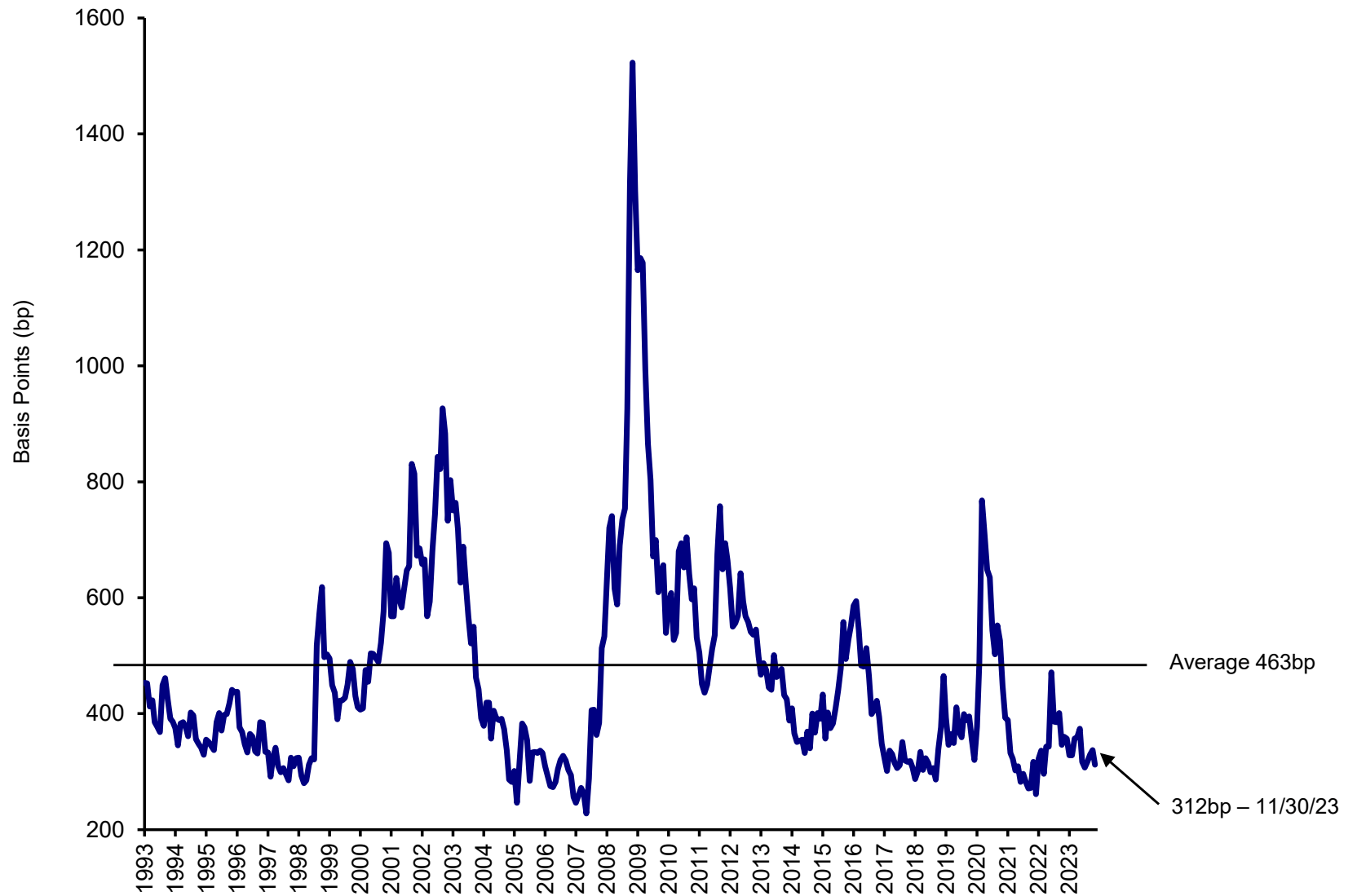
KDP Index Yield



10-Year Treasury Yield

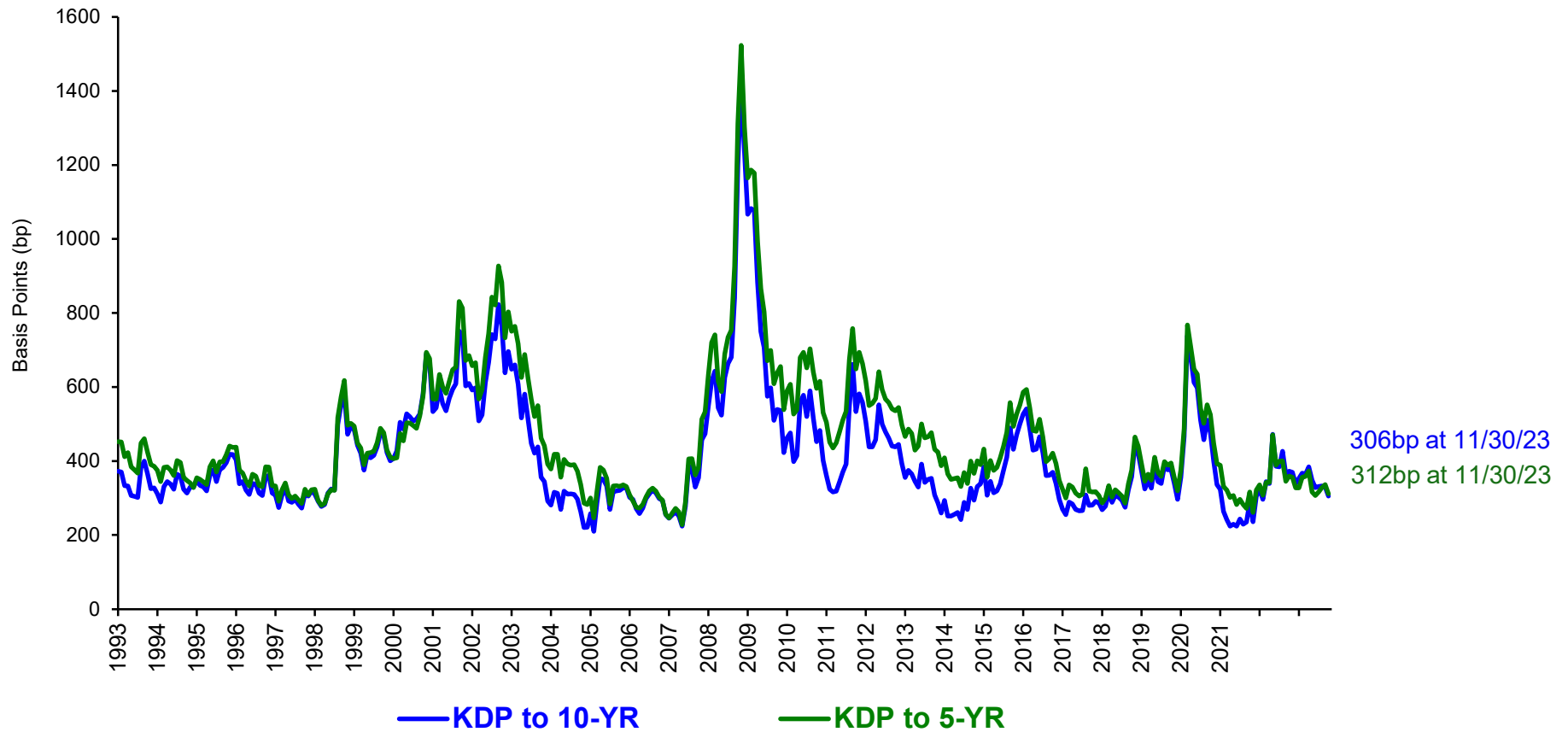


KDP Index Spread to 5-Year Treasury



Source: KDP, Bloomberg

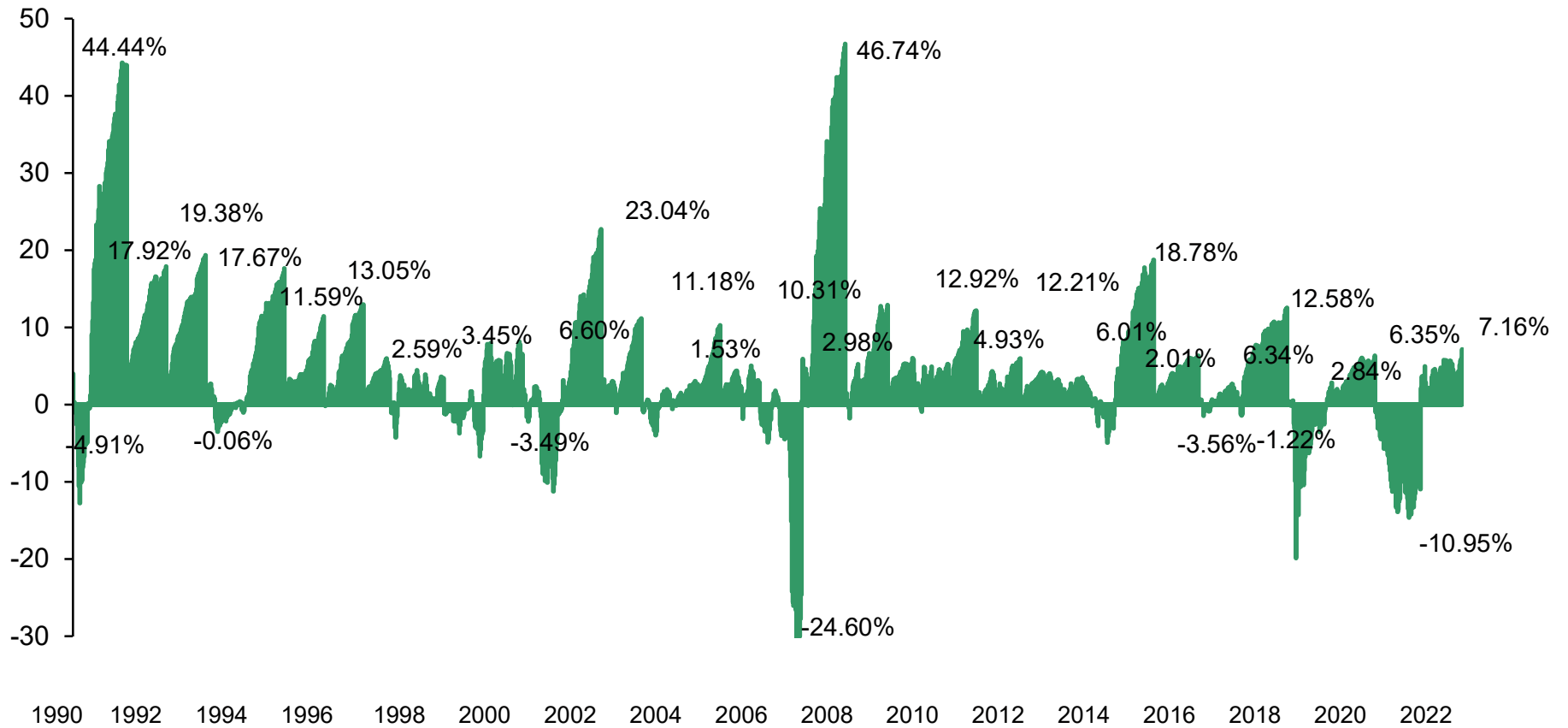
KDP Index Spread to 5 & 10-Year Treasuries



Source: KDP

KDP High Yield Daily Index - Total Return (YTD)

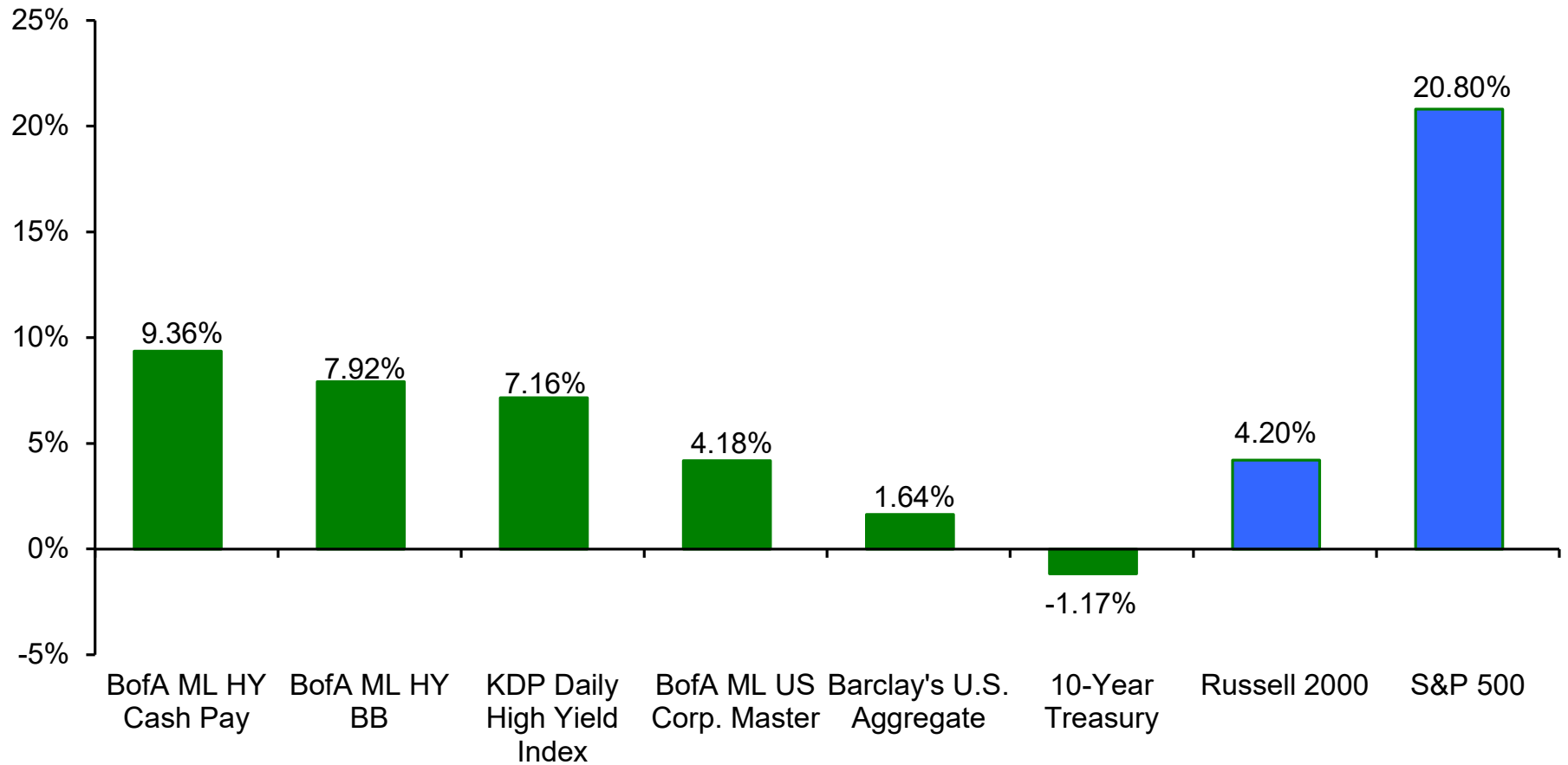
8/17/90 – 11/30/23



Source: KDP

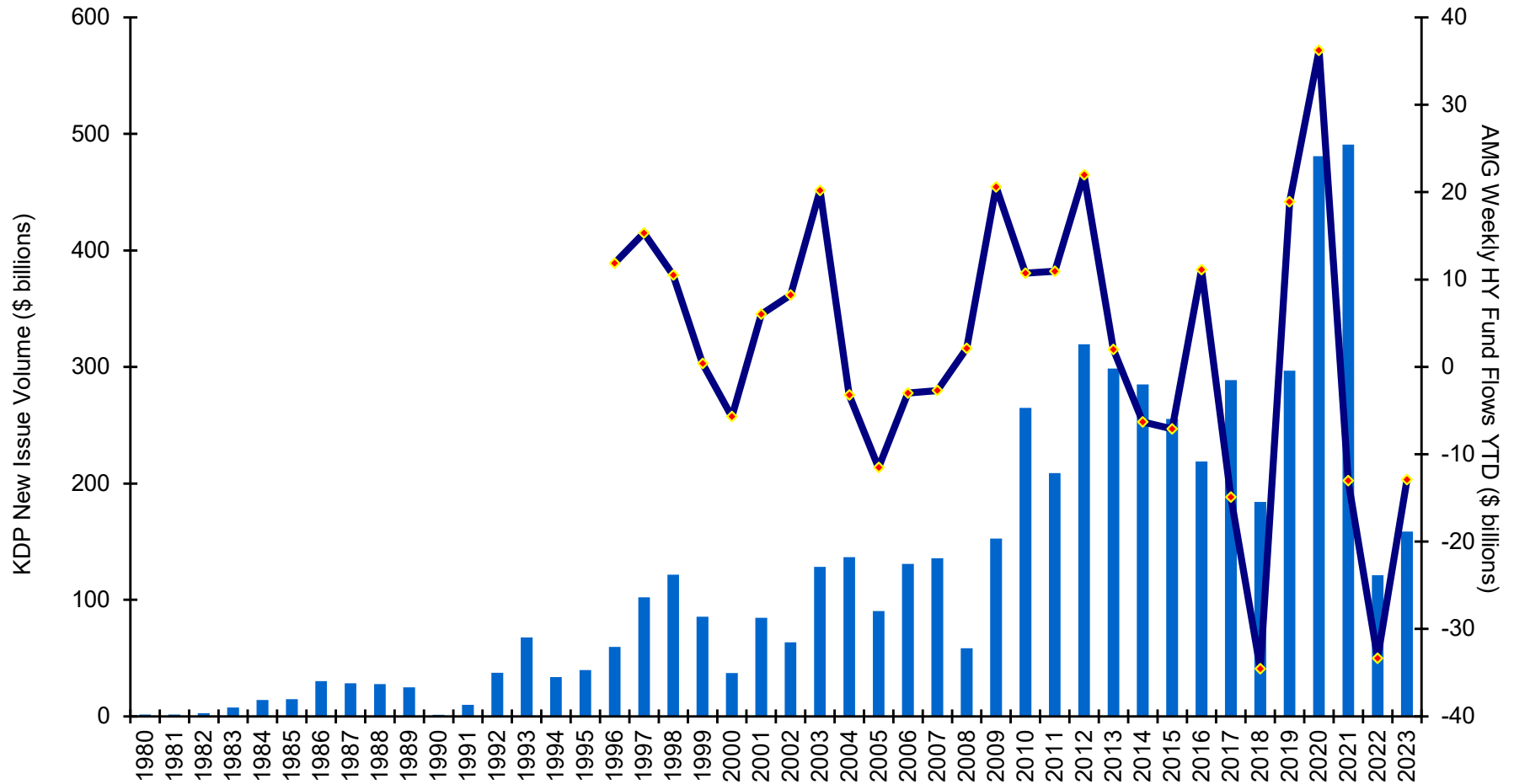
Comparative Returns

YTD November 2023



Source: KDP Investment Advisors, Inc.; BofA Merrill Lynch Global Research; Bloomberg

New Issue Volume and HY Fund Flows



Quality Distribution By Principal Amount

Public New Issues

| Year | Number of Issues | Volume (\$ Billions) | BBB | BB | B | CCC/CC/C | Not Rated |
|------|------------------|----------------------|-------|-------|-------|----------|-----------|
| 2023 | 23 | 17.7 | 29.2% | 52.1% | 17.0% | 1.7% | 0.0% |
| 2022 | 21 | 20.1 | 54.7% | 45.3% | 0.0% | 0.0% | 0.0% |
| 2021 | 71 | 59.0 | 35.2% | 56.5% | 8.3% | 0.0% | 0.0% |
| 2020 | 110 | 89.3 | 27.9% | 61.5% | 10.1% | 0.6% | 0.0% |
| 2019 | 72 | 50.7 | 50.8% | 44.8% | 3.8% | 0.6% | 0.0% |
| 2018 | 66 | 46.0 | 35.1% | 47.0% | 17.9% | 0.0% | 0.0% |
| 2017 | 100 | 62.9 | 39.0% | 45.4% | 13.2% | 0.4% | 2.1% |
| 2016 | 84 | 55.4 | 40.0% | 42.3% | 4.7% | 0.0% | 13.0% |
| 2015 | 83 | 53.2 | 17.8% | 56.5% | 22.3% | 1.4% | 2.0% |
| 2014 | 123 | 78.9 | 14.3% | 57.1% | 24.8% | 1.1% | 2.7% |
| 2013 | 112 | 65.5 | 10.9% | 67.1% | 14.6% | 1.2% | 6.2% |
| 2012 | 144 | 93.3 | 9.7% | 53.1% | 29.4% | 0.2% | 7.6% |
| 2011 | 85 | 52.1 | 14.8% | 59.4% | 22.5% | 0.6% | 2.7% |
| 2010 | 111 | 54.9 | 16.1% | 43.7% | 33.2% | 2.0% | 1.7% |
| 2009 | 81 | 36.0 | 20.3% | 37.6% | 31.8% | 10.5% | 0.8% |
| 2008 | 17 | 6.8 | 3.9% | 65.8% | 30.3% | 0.0% | 0.0% |
| 2007 | 54 | 28.8 | 10.5% | 44.5% | 40.9% | 4.1% | 0.0% |
| 2006 | 55 | 28.4 | 4.9% | 50.2% | 42.8% | 2.1% | 0.0% |
| 2005 | 27 | 7.7 | 7.8% | 69.8% | 20.5% | 1.9% | 0.0% |
| 2004 | 52 | 14.7 | 13.3% | 40.2% | 35.8% | 0.7% | 0.0% |
| 2003 | 61 | 18.4 | 17.8% | 42.1% | 39.4% | 0.7% | 0.0% |

* These issues are split-rated.

Note: Rows may not sum to 100% due to rounding.

Source: KDP Investment Advisors, BofA Merrill Lynch, Securities Data Co.

Quality Distribution By Principal Amount

144A New Issues

| Year | Number of Issues | Volume (\$ Billions) | BBB* | BB | B | CCC/CC/C | Not Rated |
|------|------------------|----------------------|-------|-------|-------|----------|-----------|
| 2023 | 185 | 158.6 | 1.9% | 41.6% | 45.9% | 1.3% | 9.4% |
| 2022 | 133 | 101.0 | 8.0% | 31.5% | 41.5% | 10.7% | 8.4% |
| 2021 | 615 | 431.7 | 2.4% | 40.9% | 40.6% | 11.5% | 4.6% |
| 2020 | 554 | 393.3 | 9.3% | 42.6% | 34.4% | 7.8% | 5.9% |
| 2019 | 347 | 297.6 | 6.8% | 42.2% | 41.8% | 6.5% | 2.7% |
| 2018 | 237 | 138.9 | 0.8% | 37.6% | 44.4% | 12.3% | 4.9% |
| 2017 | 417 | 225.7 | 5.8% | 40.4% | 39.7% | 12.7% | 1.3% |
| 2016 | 267 | 163.4 | 4.0% | 40.7% | 45.2% | 7.1% | 3.0% |
| 2015 | 296 | 202.2 | 10.2% | 36.9% | 48.6% | 9.3% | 5.0% |
| 2014 | 412 | 206.2 | 3.9% | 33.0% | 42.3% | 14.6% | 6.2% |
| 2013 | 485 | 233.1 | 1.9% | 38.6% | 34.0% | 17.1% | 8.2% |
| 2012 | 485 | 226.3 | 2.5% | 24.3% | 52.4% | 14.9% | 5.9% |
| 2011 | 342 | 156.2 | 0.6% | 28.9% | 48.3% | 14.8% | 8.4% |
| 2010 | 453 | 210.1 | 6.2% | 24.7% | 53.5% | 10.3% | 5.3% |
| 2009 | 275 | 116.4 | 3.7% | 40.6% | 47.7% | 5.2% | 2.8% |
| 2008 | 94 | 50.5 | 0.8% | 20.6% | 48.9% | 17.1% | 12.6% |
| 2007 | 239 | 106.8 | 1.2% | 17.3% | 46.4% | 33.7% | 1.4% |
| 2006 | 247 | 102.3 | 0.0% | 29.0% | 53.4% | 16.4% | 1.2% |
| 2005 | 299 | 82.6 | 2.5% | 25.5% | 59.8% | 11.6% | 0.6% |
| 2004 | 468 | 122.0 | 5.1% | 24.1% | 55.3% | 13.3% | 2.2% |
| 2003 | 403 | 109.7 | 3.8% | 20.9% | 65.2% | 7.2% | 2.9% |
| 2002 | 207 | 54.0 | 7.9% | 27.4% | 63.2% | 0.9% | 0.6% |

* These issues are split-rated.

Note: Rows may not sum to 100% due to rounding.

Source: KDP Investment Advisors, BofA Merrill Lynch, Securities Data Co.

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