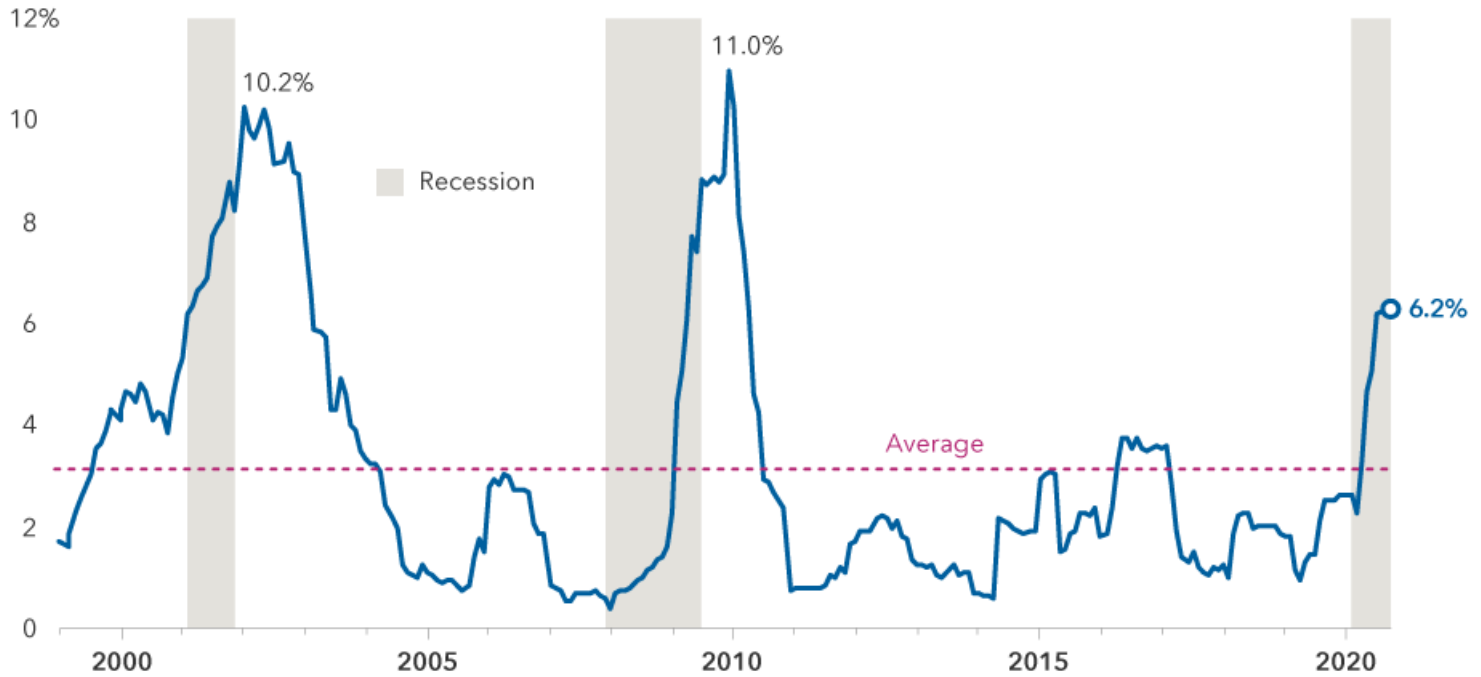


Defaults have jumped after several years of being below the historical average

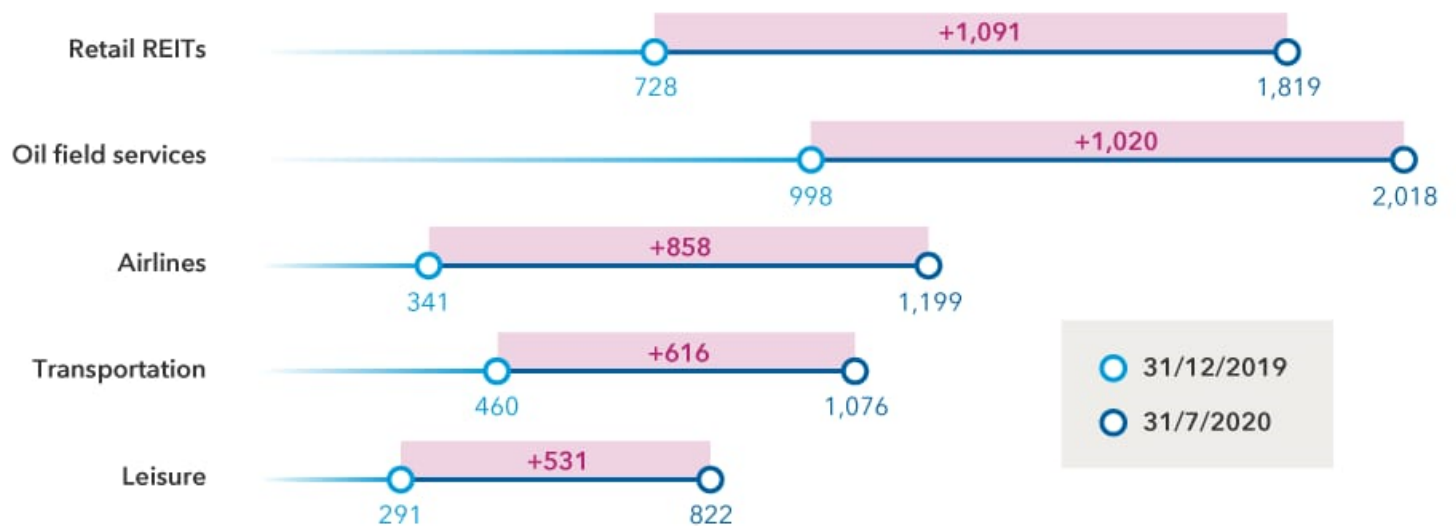
U.S. high-yield default rates



Sources: J.P. Morgan, Refinitiv Datastream. Default rates shown from 31/12/98-31/7/20.

Industries most impacted by pandemic have not recovered to pre-crisis levels

Largest spread increases YTD (bps)



Source: Bloomberg Index Services Ltd. As of 31/7/20. Retail Real Estate Investment Trusts (Retail REITs). Data reflects option-adjusted spreads within the Bloomberg Barclays U.S. Corporate High Yield Index. Option-adjusted spread is a yield-spread calculation used to value securities with embedded options.