

February 2026

## Risk-Off Sentiment

AI fears drove markets into defensive mode across February

## Spreads Widened

US-led credit spread widening across IG and HY markets

## Yields Supported IG Returns

Falling govt bond yields offset spread widening for IG

## Loans Under Pressure

Defaults & SaaS fears weighed on leveraged loan performance

## PERFORMANCE SNAPSHOT USD Hedged

	1M	3M	12M
US High Yield	+0.19%	+1.27%	+7.18%
Euro High Yield	+0.39%	+1.77%	+6.64%
US IG Corporate	+1.29%	+1.27%	+6.58%
EUR IG Corporate	+0.55%	+1.12%	+3.30%
GBP IG Corporate	+1.33%	+2.03%	+7.05%
Banks AT1	+0.50%	+2.65%	+10.46%
Leveraged Loans	-1.39%	-1.05%	+4.23%
Corporate Hybrids	+0.36%	+1.75%	+7.46%
EM USD	+1.22%	+2.02%	+9.90%
US BB	+0.53%	+1.49%	+8.02%
US B	-0.13%	+1.22%	+6.64%
US CCC	-0.56%	+0.42%	+6.05%

## YIELD & SPREAD TRENDS

### Global HY/IG Yields vs Spreads



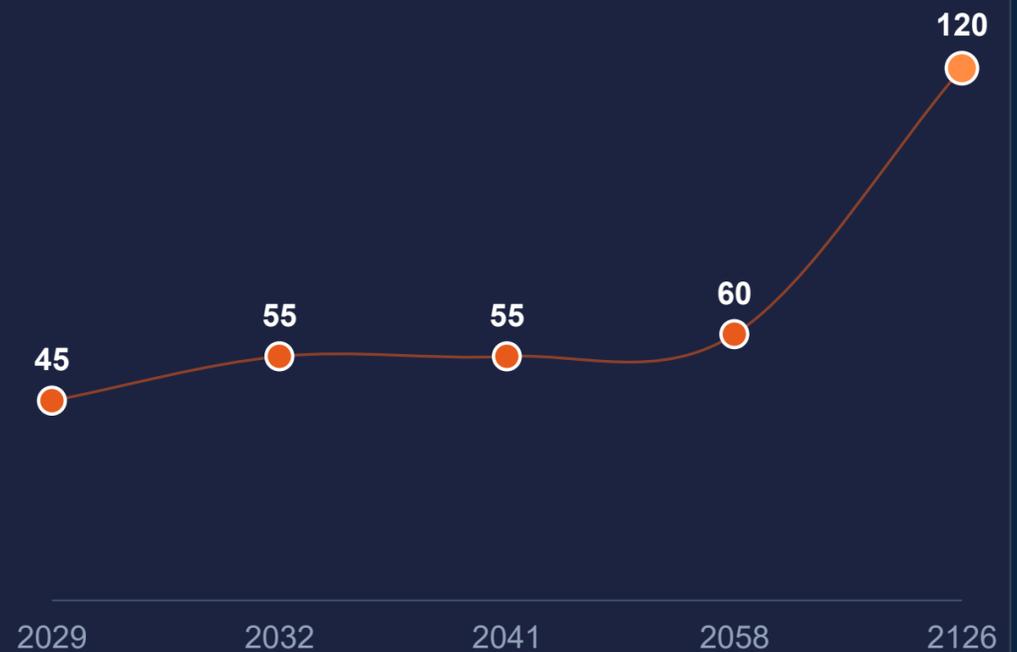
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## Bond Markets: AI Fuels Record Issuance as Technology Dominates Credit

Global bond sales reached \$1 trillion by early February — the fastest pace on record — with technology issuers dominating as the race to fund AI drives unprecedented borrowing. Alphabet raised nearly \$32 billion across multiple currencies in under 24 hours, including record-breaking sterling and Swiss franc tranches — the largest corporate bond sales ever in both markets. Most notable was a 100-year sterling note, the first century bond from a technology issuer since the dot-com era, a maturity typically reserved for Sovereigns and Supranationals. The £1 billion tranche attracted nearly ten times the orders, pricing at 120 basis points over gilts.

Elsewhere in the technology space, customer experience firm Concentrix illustrated the market's more cautious appetite for lower quality, AI-exposed names. The company offered a 130-basis point new issue premium — well above market norms — for a three-year US investment-grade deal, with coupon step-up provisions added as a further sweetener to address concerns over AI disruption risk. The order book nonetheless reached \$1.1 billion, allowing the issuer to price \$600 million at 300 basis points over Treasuries, 25 basis points tighter than initial guidance.

GOOGL Sterling Bonds - Spread at Issue (bps)



Source: Bloomberg, as at 10/02/26

## EA Debtholders Hurt by Buyback Offer

EA 2.95 2051 Bond Price



Electronic Arts bonds fell sharply after the consortium acquiring the video game publisher launched a tender offer for \$1.5 billion of outstanding notes at zero spread to US Treasuries, rather than at face value as is customary in such transactions. The company's 2051 note dropped as much as 13.75 points to a low of 78.25 before recovering to close the month at 86.95. The tender offer sought to employ defeasance, sidestepping the change of control provision that would otherwise require the new owners to buy back the debt at a premium.

Bondholders have pushed back, with many forming a cooperation agreement in opposition. As of late February, EA had yet to secure sufficient noteholder support — with many arguing they were entitled to be paid out at par if the company changes hands and is downgraded to junk, as is typical in a leveraged buyout.

Source: Bloomberg, as at 27/02/26