

May 2026

Spreads Hit Multi-Year Tights

Credit just 16% of global corporate yield — lowest since 2007

GBP & Hybrids Led Returns

GBP IG and Corporate Hybrids led performance in May

Long Bonds Outperformed Front End

As spreads tightened, longer spread duration bonds led higher returns

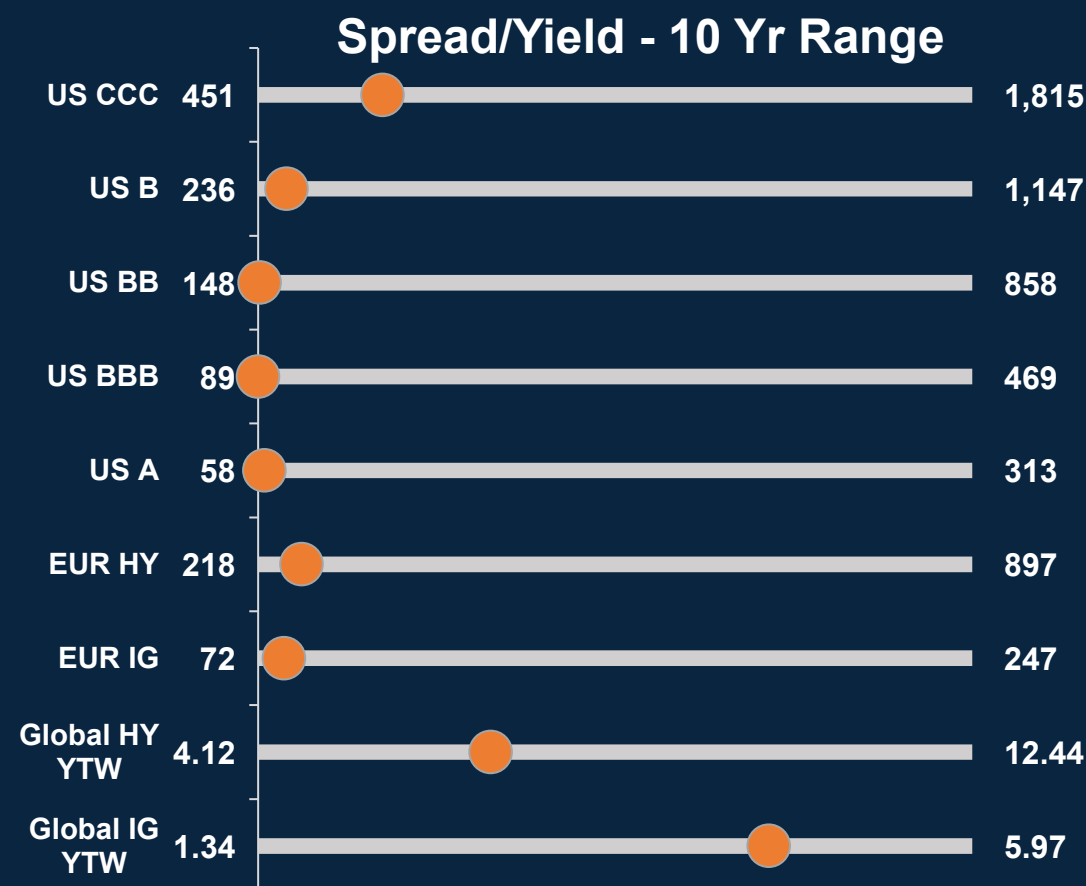
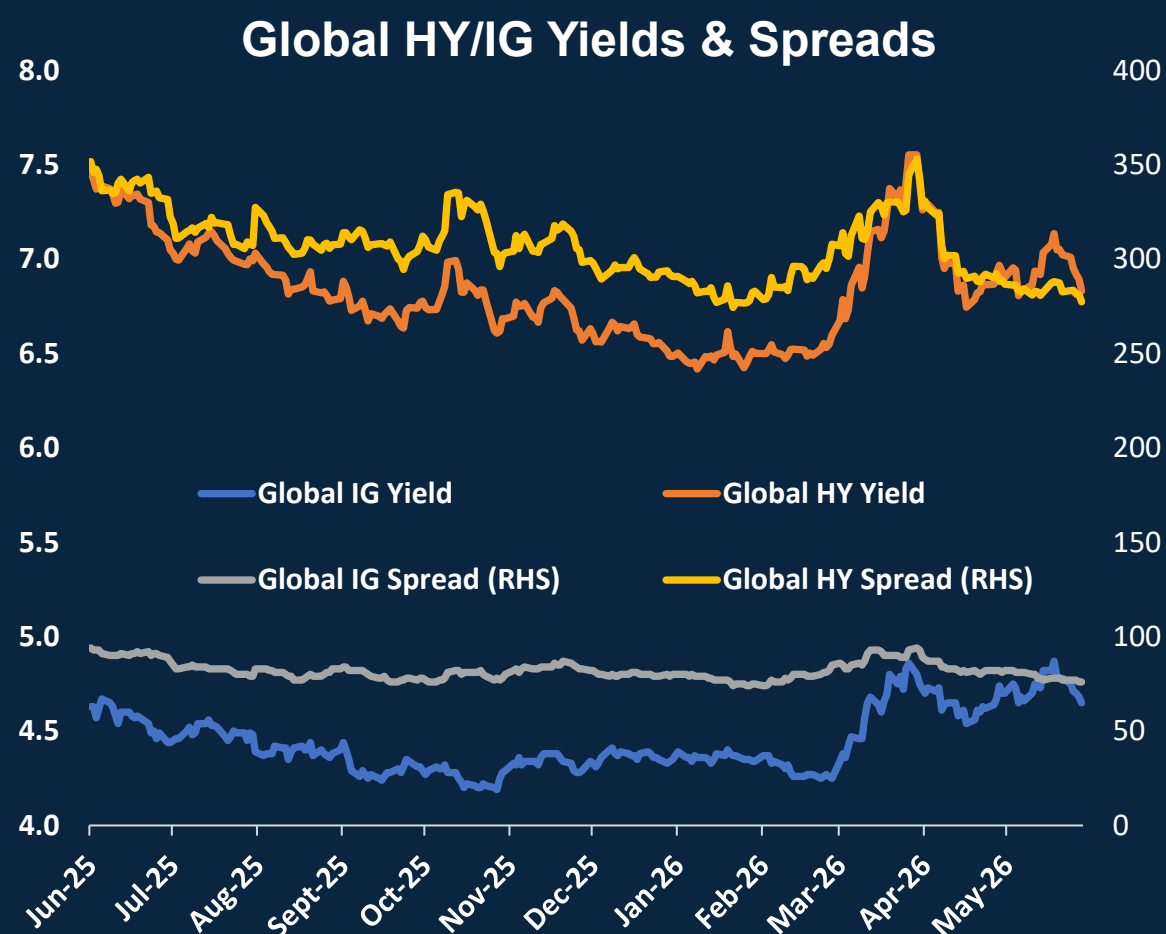
Record European Supply

AI issuers and a hybrid boom drove primary to fresh highs

PERFORMANCE SNAPSHOT USD Hedged

	1M	3M	YTD	12M
US High Yield	+0.49%	+0.98%	+1.68%	+7.57%
Euro High Yield	+1.15%	+0.84%	+2.08%	+6.41%
US IG Corporate	+0.76%	-0.79%	+0.67%	+6.09%
EUR IG Corporate	+0.94%	-0.42%	+0.89%	+2.37%
GBP IG Corporate	+2.04%	-1.31%	+0.24%	+5.75%
Banks AT1	+0.80%	+0.65%	+2.39%	+10.17%
Leveraged Loans	+0.46%	+2.88%	+0.83%	+5.52%
Corporate Hybrids	+1.47%	+0.53%	+1.89%	+7.01%
EM USD	+0.71%	-0.13%	+1.46%	+9.48%
US BB	+0.50%	+0.59%	+1.67%	+7.43%
US B	+0.74%	+1.56%	+1.90%	+7.90%
US CCC	+0.21%	+2.05%	+1.80%	+8.90%

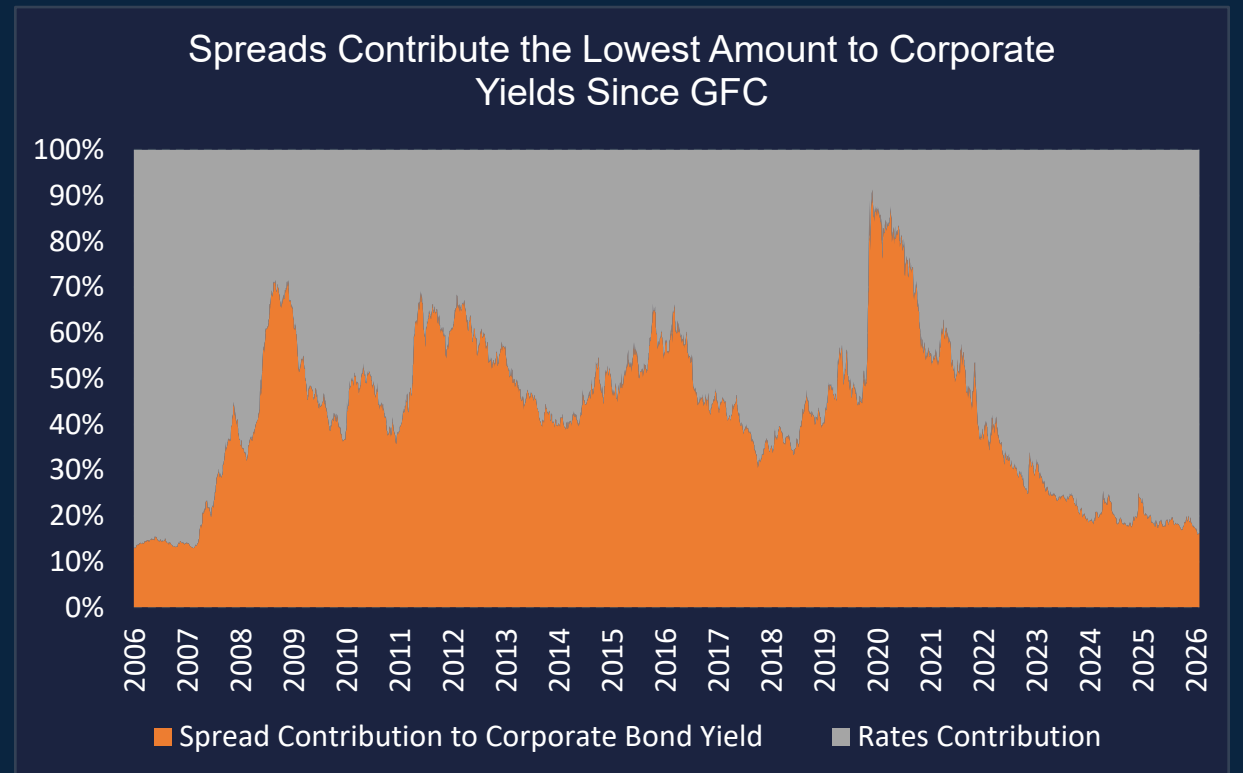
YIELD & SPREAD TRENDS



Source: Bloomberg, as at 29/05/26

Credit Markets: Risk Assets Rebounded in April

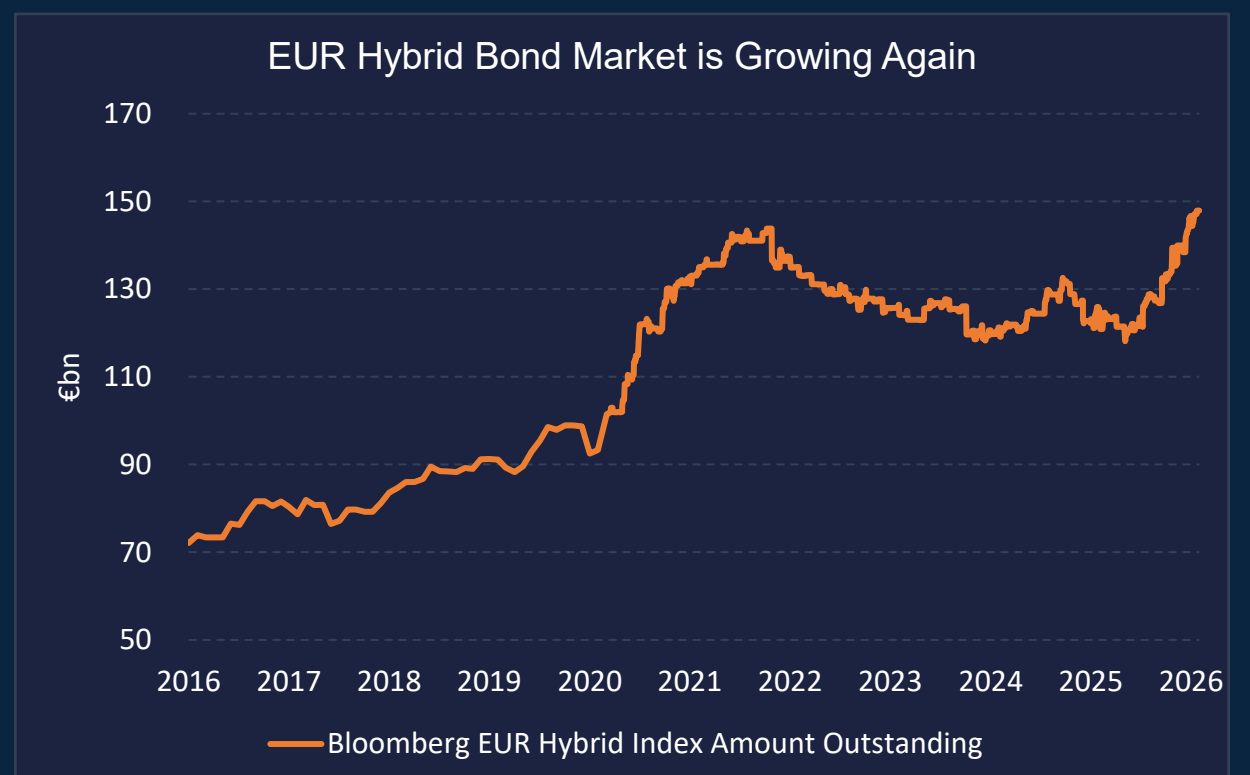
Markets performed strongly throughout May, extending April's sharp rebound as investors continued to price in a de-escalation of Middle East tensions, with a US-Iran agreement appearing close at month-end. Spreads continued to tighten, with all but the lowest-rated high yield debt trading at multi-year tights. Credit spreads are now so compressed that they account for only 16% of the total yield on global corporate debt — the lowest share since 2007 and the onset of the GFC.



Source: Bloomberg, as at 29/05/26

Primary Markets: European Supply Surged

The European primary market saw exceptional activity in May, with several records broken. A single session early in the month set new highs for both issuer count (39) and tranche count (47). Notably Airbus tapped the debt markets for the first time in six years, while Carlsberg made its debut in the hybrid market. Hybrid issuance more broadly has been particularly notable: more than \$65bn had priced across major currencies as of 6th May, the highest volume on record at that date according to Bloomberg. This pace puts the EUR hybrid market on course to surpass €150bn for the first time, a significant reversal after three consecutive years of declining issuance.

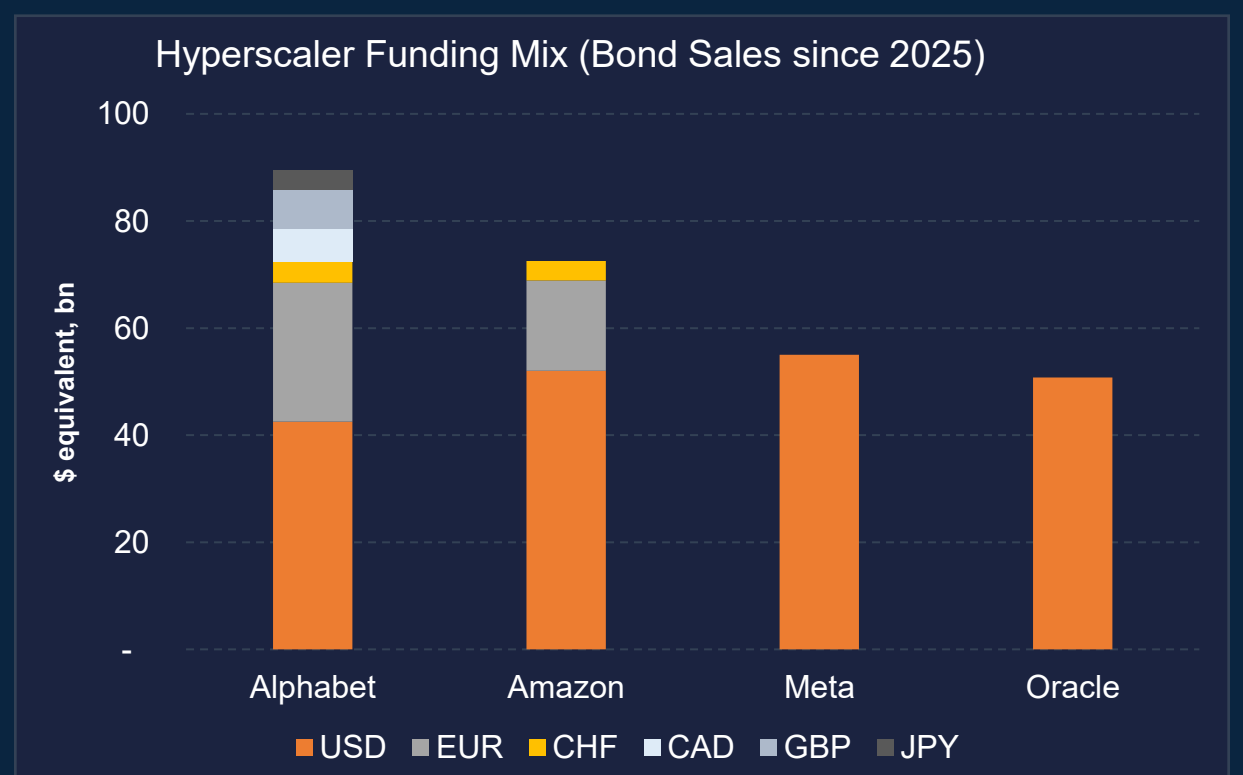


Source: Bloomberg, as at 29/05/26

AI Debt: Continues to Drive Supply

AI-related supply continued at pace, with Alphabet printing its largest-ever EUR-denominated bond, its inaugural Canadian dollar transaction, and the largest yen bond on record by a foreign issuer, as it diversifies its funding away from the US market, where it has been a frequent and sizeable issuer.

CoreWeave, the high yield-rated borrower, attracted \$19bn in demand for a \$3.1bn loan backed by customer contracts for the GPUs underpinning AI infrastructure. The deal priced at 450bps over benchmark and represented CoreWeave's first GPU-backed financing in the leveraged loan market.



Source: Bloomberg, as at 29/05/26