

# HIGH YIELD INDICES

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## Global High Yield has more than made up for Q4's loss

The Global High Yield Index continued to rally in April, posting its fourth straight return of 1% or more. With an 8.13% cumulative return YTD the index has more than made up for Q4's 3.51% loss. In fact, over the last seven months, inclusive of the large Q4 loss, the index is running at better than a 7.5% annualized rate. (p 2)

## In the high yield bond markets big does not appear to be better

We segmented the US High Yield Index into three buckets based on issue size and while the average monthly returns of the three groups were consistent the Sharpe ratio of the smallest group was almost double that of the largest group and the middle group was right about halfway in between. Information ratios showed a similar bias. (p 3)

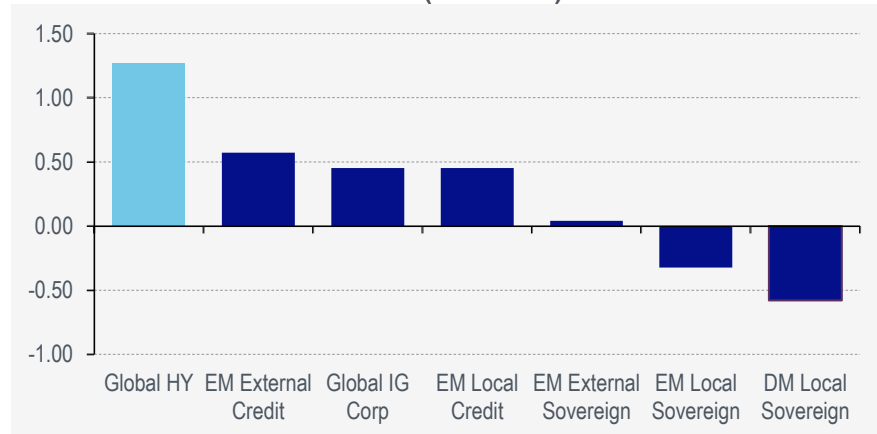
## There have been significantly more rising stars than defaults

Over the last 20 years the volume of rising stars has exceeded the volume of defaults 63% of the time. And across that entire period, the index has seen a total of \$830bn in rising stars versus \$575bn in defaults. (p 4)

## 2019 index rule survey is now open

The 2019 ICE Data Indices Annual Rule Review Survey is now open. The survey contains questions pertaining to index rules and methodologies and should only take a few minutes to complete. The survey will remain open until June 30. In July we will publish the final list of adopted rule changes, which will then take effect at the September 30, 2019 rebalancing. Click [here](#) to take the survey.

Exhibit A: One month total return % (USD terms)



# Global High Yield

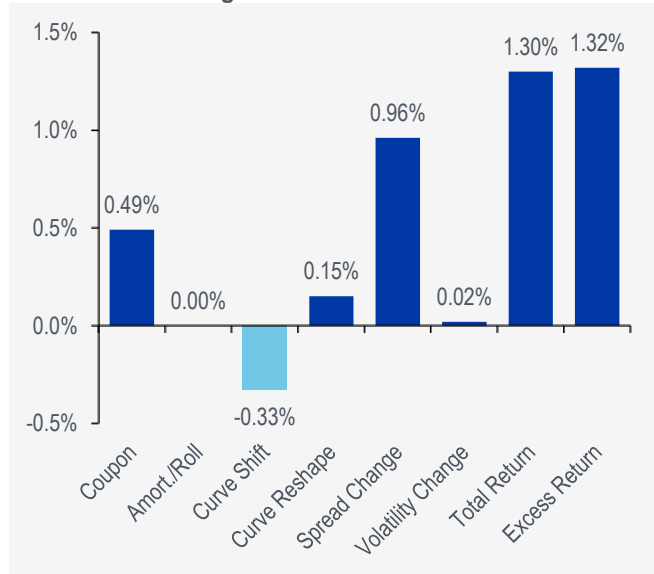
*The Global High Yield Index has more than made up for the Q4 2018 loss as the 2019 rally continued in April.*

The Global High Yield Index continued to rally in April, posting its fourth straight return of 1% or more. With an 8.13% cumulative return YTD the index has more than made up for Q4's 3.51% loss. In fact, over the last seven months, inclusive of the large Q4 loss, the index is running at better than a 7.5% annualized rate. That compares favorably with the 6.66% annualized return over the 21+ year life of the index, as well as the 8.27% annualized return since inception for the US High Yield Index which goes back over 30 years.

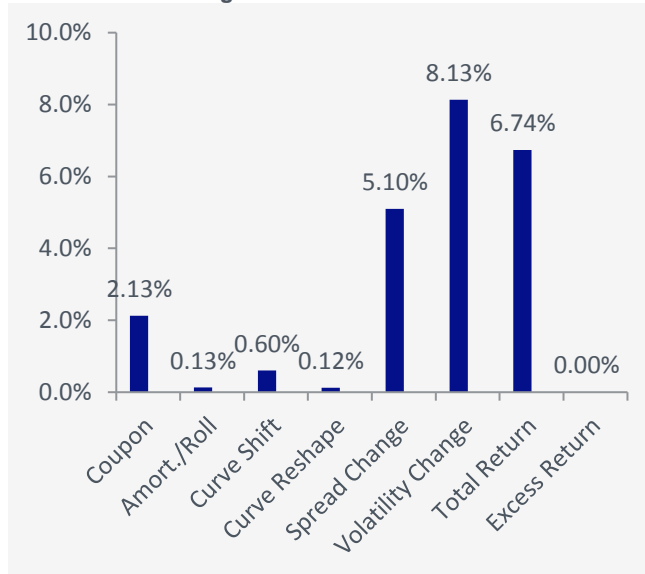
*The curve has been volatile but the 2019 story is mostly about credit.*

While the lack of duration exposure was a bit of a drawback for the index during the March Treasury curve rally, in April that worked to its advantage. With the Treasury curve backing up 10bp in April (as opposed to March's 28bp rally) curve factors cost the high grade US Corporate Index 0.62% but only took a 0.18% bite out of the US and Global High Yield Index returns. The curve has had a big impact on performance over the last two months but, on the whole, the year has been much more about the credit story. So far in 2019 spread tightening has gained the index more than twice what it has earned from its coupon income (5.10% vs. 2.26%). And in that context, the YTD curve gains are somewhat of an afterthought (0.72%).

**Exhibit B: Global High Yield Index MTD return attribution**



**Exhibit C: Global High Yield Index YTD return attribution**



*In the high yield bond markets big does not appear to be better.*

There was a noticeable bias in April favoring small issues over large issues. In the US High Yield Index bonds with issue sizes of \$500mn or less gained 1.70% vs a 1.31% for larger issues. This has not been a recent trend – in February and March there was no significant performance gap between the two groups and in January it went the other way with larger issues gaining almost 5% versus a 3.61% return for the smaller issues. However, when we analyzed this trait over the long term we did see a clear bias favoring smaller issues.

We segmented the US High Yield Index into three buckets – constituents with a face value less than \$500mn, those with more than a billion, and everything in between (Exhibit D). The average monthly returns of the smallest and largest groups were identical and the middle group was only 2 basis points lower. But the true performance differences came to light when those returns were risk adjusted, as the Sharpe ratio of the smallest group was almost double that of the largest group and the middle group was right about halfway in between.

The results were a little different when we analyzed the excess return performances of these three groups. Unlike total return, average monthly excess returns were not equal across the board and on the basis of this measure it was the largest issues that had a clear advantage (0.30% average monthly excess return vs. 0.24% for the smallest group). But once those results were risk adjusted for volatility the smallest group jumped to the top followed by the middle group and it was the largest group that had the smallest information ratio.

**Exhibit D: Global High Yield Index performance by issue size (1997 - 2019)**

	<500MM	500-1,000MM	>1,000MM	Total
Monthly Avg Total Return	0.58	0.56	0.58	0.59
Std. Deviation Total Return	2.22	2.75	4.31	2.51
Annualized Sharpe Ratio	0.91	0.70	0.47	0.81
Monthly Avg Excess return	0.24	0.25	0.30	0.24
Std. Deviation Excess Return	2.60	3.08	4.57	2.87
Annualized Information Ratio	0.32	0.28	0.23	0.28
Avg %wgt	50.5	27.9	21.7	100.0
Avg # bonds	1,245	382	148	1,775
Avg Effective Duration	4.19	4.49	4.71	4.37
Avg Yield to Worst	9.05	8.45	9.27	8.83
Monthly Avg Total Return	0.58	0.56	0.58	0.59
Std. Deviation Total Return	2.22	2.75	4.31	2.51

*Fallen Angels seem to have benefitted from smaller issue sizes.*

We have previously reported on the long term outperformance of the fallen angel component of the high yield index. While there could be many attributes that led to that result, issue size might also be a contributing factor. An examination of the distributions of the US High Yield Index segmented between fallen angels and original high yield issuers as of April 30, 2019 (Exhibit E) shows that the latter group has twice as much exposure to large issuers as it has to the small issuers (41.5% >\$1,000mn vs. 20.6% <\$500mn). By comparison, the fallen angels are more heavily concentrated in the smaller issue sized (34.8% <\$500mn vs. 29.9% >\$1,000mn)

**Exhibit E: Fallen Angel vs. Original High Yield size distributions  
(4/30/2019)**

<b>Issue size</b>	<b>US High Yield Index</b>	<b>Fallen Angels</b>	<b>Original Issue High Yield</b>
<500MM	21.9%	34.8%	20.6%
500 - 1,000MM	37.7%	35.3%	37.9%
>1,000MM	40.4%	29.9%	41.5%

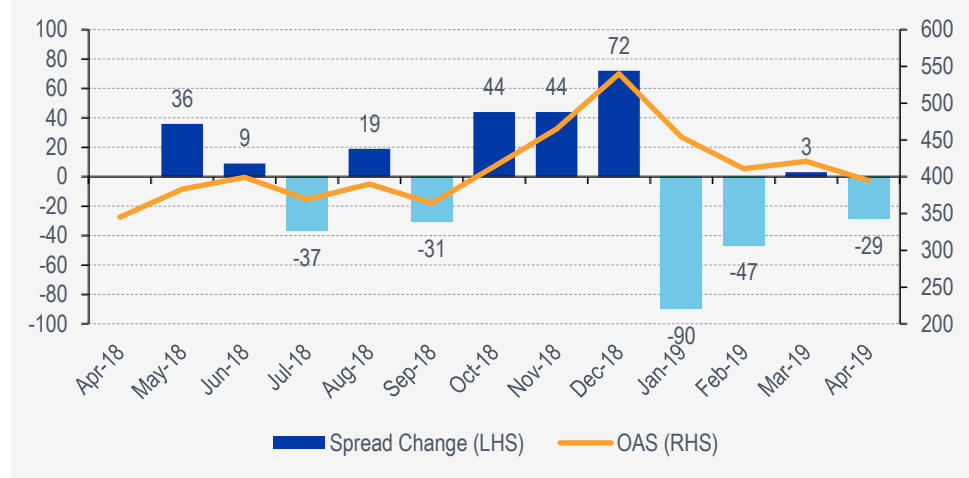
*Historically there have been significantly more rising stars than defaults.*

Talk about a balanced outcome! In April \$26.41bn in Global High Yield constituent debt was upgraded and \$21.41bn was downgraded. You have to look to the fringes of the high yield rating migration picture to find any disparity. Last month \$6.9bn departed the high yield index following upgrades – a level that is double the historical monthly average over the last 20 years. Meanwhile \$3.9bn dropped out following defaults – a level that is 1.6 times the historical average but well below the volume of rising stars. This recent bias is not so out of line with past experience. Over the last 20 years the volume of rising stars has exceeded the volume of defaults 63% of the time. And across that entire period, the index has seen a total of \$830bn in rising stars versus \$575bn in defaults.

# Performance

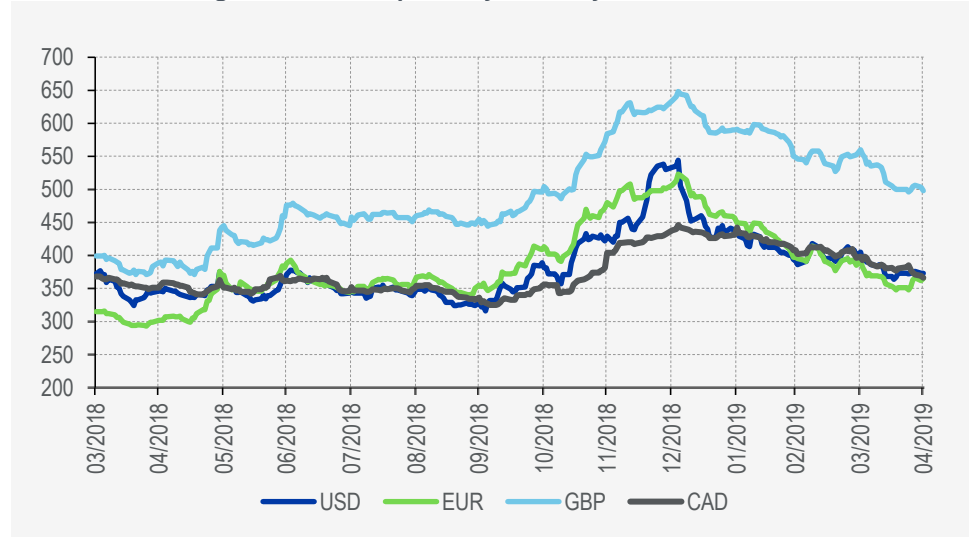
*Spread tightening resumed in April after the prior month's pause and pushed the index spread below the 400bp mark for the first time since Q4-18.*

**Chart 1: Global High Yield Index (HW00) spread performance**



*Despite outperforming in April, the Sterling segment is still over 100bp wider than its peers.*

**Chart 2: Global High Yield Index spread by currency**

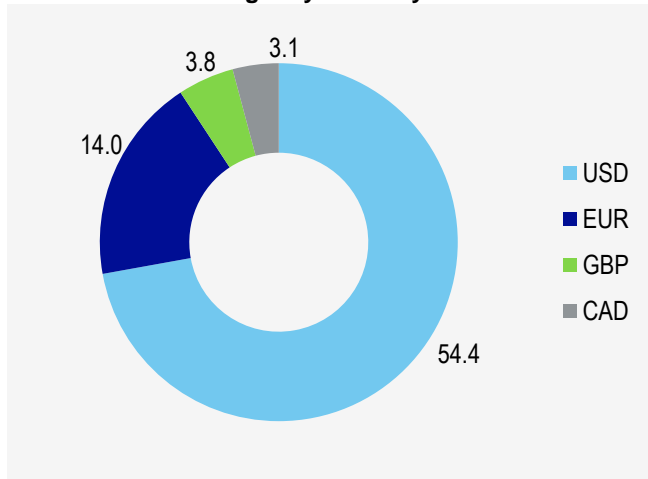


**Table 1: Global High Yield Index return attribution by segment**

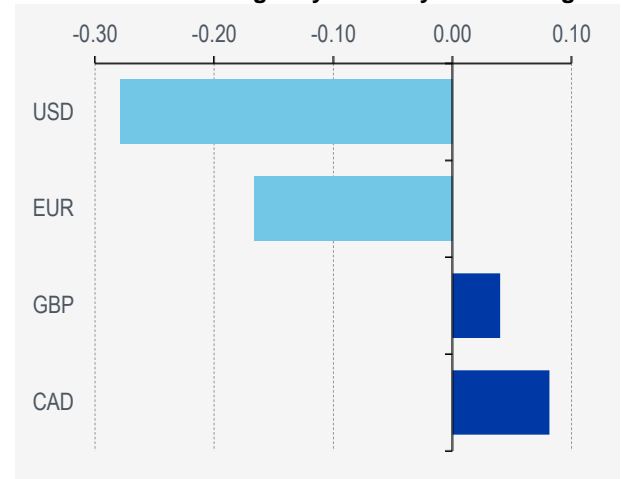
	Cpn	Amort./ Roll	Curve Shift	Curve Reshape	Spread Change	Vol Return	Total Return	Excess Return
<b>Month</b>								
Global High Yield	0.49%	0.00%	-0.33%	0.15%	0.96%	0.02%	1.30%	1.32%
US High Yield Master II	0.52%	-0.01%	-0.33%	0.15%	1.02%	0.04%	1.40%	1.38%
US High Yield (Cash Pay)	0.52%	-0.01%	-0.33%	0.15%	1.03%	0.04%	1.40%	1.38%
European Currencies	0.36%	-0.02%	-0.29%	0.07%	1.31%	0.00%	1.42%	1.65%
Euro High Yield	0.34%	-0.03%	-0.26%	0.08%	1.24%	0.00%	1.37%	1.56%
Sterling High Yield	0.49%	0.01%	-0.52%	-0.03%	1.83%	0.03%	1.80%	2.30%
European Issuers	0.43%	0.00%	-0.31%	0.11%	1.24%	0.01%	1.48%	1.61%
Canadian High Yield	0.41%	-0.03%	-0.31%	0.14%	0.81%	0.00%	1.14%	1.19%
Canadian Issuers	0.52%	-0.02%	-0.31%	0.17%	0.54%	0.04%	0.95%	0.90%
<b>YTD</b>								
Global High Yield	2.13%	0.13%	0.60%	0.12%	5.10%	0.04%	8.13%	6.74%
US High Yield Master II	2.28%	0.12%	0.58%	0.24%	5.63%	0.06%	8.90%	7.25%
US High Yield (Cash Pay)	2.27%	0.12%	0.58%	0.25%	5.63%	0.06%	8.90%	7.25%
European Currencies	1.53%	0.02%	0.70%	-0.34%	4.77%	0.02%	6.71%	6.34%
Euro High Yield	1.45%	0.01%	0.75%	-0.36%	4.86%	0.02%	6.72%	6.38%
Sterling High Yield	2.05%	0.15%	0.40%	-0.23%	4.17%	0.06%	6.59%	6.09%
European Issuers	1.82%	0.11%	0.64%	-0.14%	4.57%	0.02%	7.02%	6.21%
Canadian High Yield	1.85%	0.00%	0.91%	0.28%	3.00%	0.00%	6.03%	4.22%
Canadian Issuers	2.24%	0.04%	0.57%	0.25%	5.24%	0.05%	8.39%	6.75%

# Composition

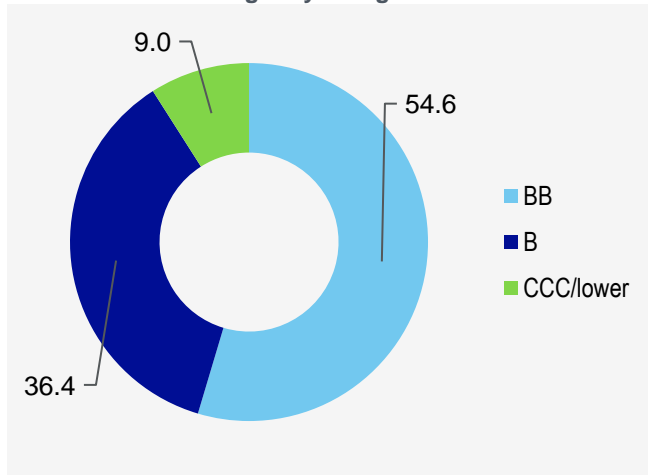
**Chart 3: HW00 % weight by currency**



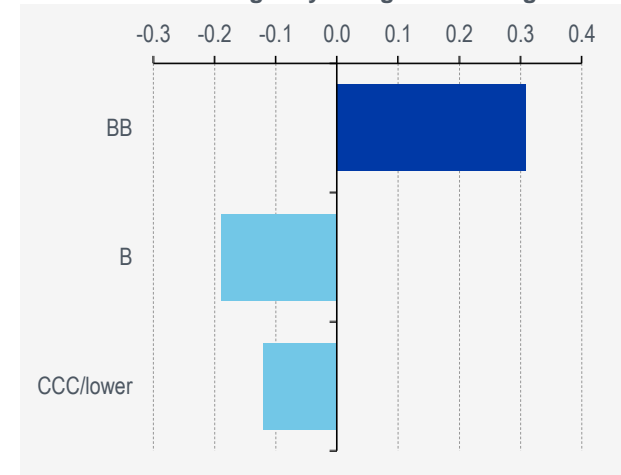
**Chart 4: HW00 % weight by currency MOM change**



**Chart 5: HW00 % weight by rating**



**Chart 6: HW00 % weight by rating MOM change**



**Table 2: Global High Yield Index sector weights**

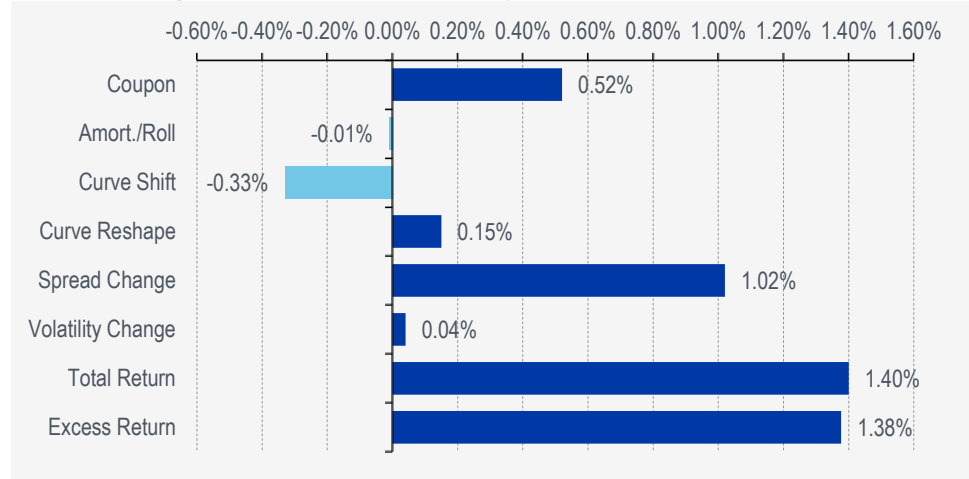
	4/30/2019							1-Month Change						
	Global	USD	Europe Issuers	EUR /GBP	EUR	GBP	CAD	Global	USD	Europe Issuers	EUR /GBP	EUR	GBP	CAD
Automotive	2.45	1.90	5.25	6.56	6.80	4.87	0.00	0.19	0.20	-0.10	0.37	0.42	0.02	0.00
Banking	7.22	2.40	18.49	10.31	11.01	5.36	0.00	-0.13	0.11	0.24	-0.47	-0.53	-0.05	0.00
Basic Industry	10.98	10.85	11.45	11.09	12.55	0.72	16.24	-0.02	-0.08	0.11	-0.06	-0.07	-0.02	-0.08
Capital Goods	5.11	6.03	4.24	6.00	6.37	3.39	1.88	-0.08	-0.03	-0.14	-0.13	-0.14	-0.04	0.01
Consumer Goods	3.32	2.96	2.14	2.49	2.62	1.55	0.00	0.08	0.03	0.03	-0.04	-0.04	-0.04	0.00
Energy	12.80	14.74	3.87	3.05	2.71	5.44	39.12	-0.21	-0.13	-0.17	-0.19	-0.20	-0.08	0.40
Financial Services	4.76	4.16	3.33	5.19	4.46	10.38	0.00	-0.26	-0.55	-1.32	0.12	0.17	-0.20	0.00
Healthcare	7.76	9.92	1.50	5.57	6.17	1.30	0.00	-0.16	-0.13	0.01	-0.10	-0.11	-0.01	0.00
Insurance	1.18	1.21	1.74	1.82	1.69	2.71	0.00	0.00	0.01	0.01	-0.04	-0.03	-0.10	0.00
Leisure	3.70	4.79	2.22	3.20	2.55	7.86	0.00	-0.02	-0.03	0.00	-0.07	-0.07	-0.05	0.00
Media	8.70	11.46	12.75	9.06	8.06	16.12	20.35	0.02	0.03	0.22	0.24	0.32	-0.29	-0.16
Real Estate	5.42	1.28	1.65	2.24	2.45	0.74	0.00	0.33	0.06	0.31	0.34	0.39	-0.01	0.00
Retail	4.45	4.73	5.68	7.60	5.50	22.43	14.58	0.12	0.32	-0.13	-0.35	-0.38	-0.17	-0.10
Services	4.24	5.15	3.51	5.52	6.07	1.63	3.16	0.06	0.08	0.22	0.14	0.17	-0.05	-0.02
Technology & Electronics	4.16	6.00	2.09	2.26	2.37	1.43	0.00	0.01	0.06	0.01	-0.05	-0.06	-0.03	0.00
Telecommunications	8.70	9.40	13.35	11.80	12.57	6.34	0.00	-0.02	0.02	0.30	0.02	0.03	-0.09	0.00
Transportation	1.74	0.86	3.09	2.31	2.29	2.46	2.53	0.05	0.07	0.10	-0.05	-0.06	-0.02	-0.03
Utility	3.32	2.17	3.64	3.94	3.76	5.27	2.13	0.04	-0.05	0.32	0.32	0.19	1.24	0.00



# US High Yield Performance

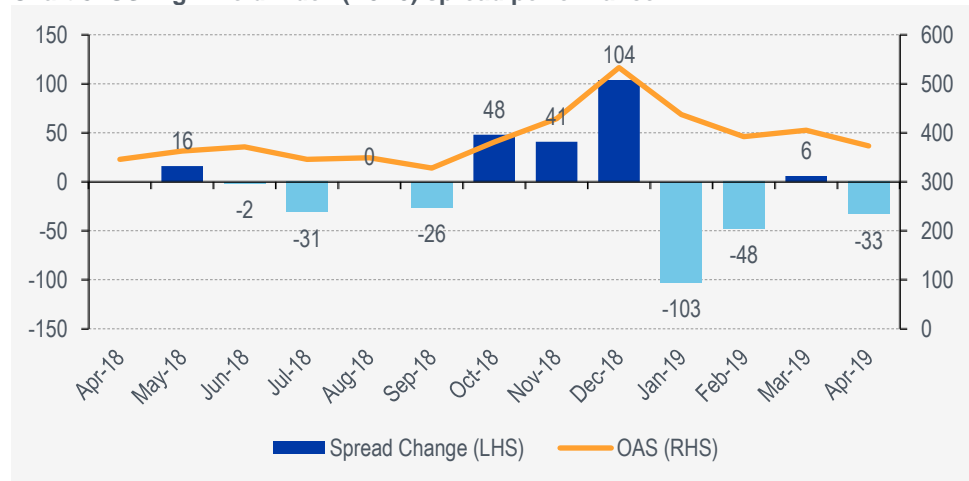
*The combination of 1.02% in spread tightening gains and incremental income gave the index a solid +1.38% excess return.*

**Chart 7: US High Yield Index (H0A0) monthly return attribution**



*Following a modest setback the prior month the index spread tightened a robust 33bp in April – an 8% decline.*

**Chart 8: US High Yield Index (H0A0) spread performance**



## Sector & Issuer Performance

The retail sectors were the best performers. Last month's laggard, Food & Drug Retail (+3.55% excess return), bounced back to the top of the performance rankings in April. The grocers led the way, with Albertsons (NEWALB) and Safeway (SWY) both delivering excess returns of over 6%. The diverse Super Retail sector was not far behind, with an excess return of +3.00%. The star performer in this sector was the rebound in PetSmart (PETM +15%), which was triggered by the announcement that the company planned to spin off its online business. The prior month's best performer, Transportation Ex. Air/Rail (+2.89%) did well once again and it was a continuation in the rebound of Navios Maritime Holdings (NM +17%) that was the biggest contributor. The only sector to lag risk-matched Treasuries in April was Aerospace (-0.05%), where a setback for Bombardier (-1% excess return) was enough to hold back the sector.

**Table 3: US High Yield Index sector performance**

Sector	Ticker	%weight	Total return		Excess return	
			Month	YTD	Month	YTD
US High Yield Index	H0A0	100.0	1.40	8.90	1.38	7.25
<b>By rating</b>						
BB	H0A1	47.3	1.08	8.54	1.09	6.84
B	H0A2	40.7	1.51	8.90	1.46	7.28
CCC & Lower	H0A3	12.0	2.27	10.35	2.21	8.81
<b>By sector</b>						
Energy	H0EN	14.7	1.58	10.13	1.58	8.42
Healthcare	H0HL	9.9	1.17	9.21	1.11	7.60
Telecom	H0TC	9.4	1.07	7.00	1.07	5.35
Cable & Satellite TV	H0CV	6.7	1.60	9.78	1.56	8.11
Technology	H0TY	6.0	1.45	8.82	1.39	7.32
Services	H0SE	4.7	1.48	9.48	1.44	7.84
Div. Financial Services	H0FI	4.2	1.83	10.01	1.74	8.50
Homebuilders & Real Estate	H0HB	3.6	1.37	8.68	1.36	6.99
Metals & Mining	H0ME	3.2	1.45	8.39	1.47	6.73
Gaming	H0AG	3.0	1.58	8.98	1.54	7.34
Broadcasting	H0BR	3.0	0.95	8.40	0.94	6.69
Super Retail	H0SR	2.9	2.95	12.03	3.00	10.31
Containers	H0CT	2.9	0.82	7.12	0.75	5.51
Chemicals	H0CH	2.5	0.65	7.84	0.67	6.20
Banks & Thrifts	H0BA	2.4	0.84	8.75	1.07	6.79
Utilities	H0EL	2.2	0.63	8.41	0.58	6.73
Automotive & Auto Parts	H0AU	1.9	2.15	7.72	2.13	6.05
Aerospace	H0AE	1.8	0.00	8.29	-0.05	6.67
Food, Beverage & Tobacco	H0FO	1.6	1.38	8.32	1.38	6.50
Diversified Media	H0BL	1.6	1.40	9.07	1.38	7.34
Consumer Products	H0CO	1.3	2.04	10.35	2.00	8.72
Capital Goods	H0CA	1.3	1.83	8.83	1.77	7.20
Diversified Media	H0DM	1.3	1.12	4.34	0.96	3.04
Insurance	H0IN	1.2	1.81	8.28	1.84	6.50
Restaurants	H0RE	1.1	1.37	8.78	1.36	7.02
Hotels	H0AH	0.9	0.95	8.05	0.92	6.30
Steel	H0ST	0.8	0.18	7.41	0.12	5.86
Food & Drug Retail	H0FR	0.7	3.47	11.50	3.55	9.66
Transport Ex Air/Rail	H0SH	0.6	2.97	5.84	2.89	4.30
Publishing & Printing	H0PU	0.6	2.10	10.44	2.00	8.87
Leisure	H0LE	0.6	1.91	7.55	1.92	5.85
Environmental	H0EV	0.4	1.94	9.14	1.86	7.61
Paper	H0PA	0.4	1.37	6.77	1.30	5.11
Entertainment & Film	H0ET	0.3	1.82	8.57	1.80	6.90
Air Transportation	H0AI	0.2	1.04	5.20	0.87	3.96
Railroad	H0RA	0.0	0.78	2.60	0.61	1.23

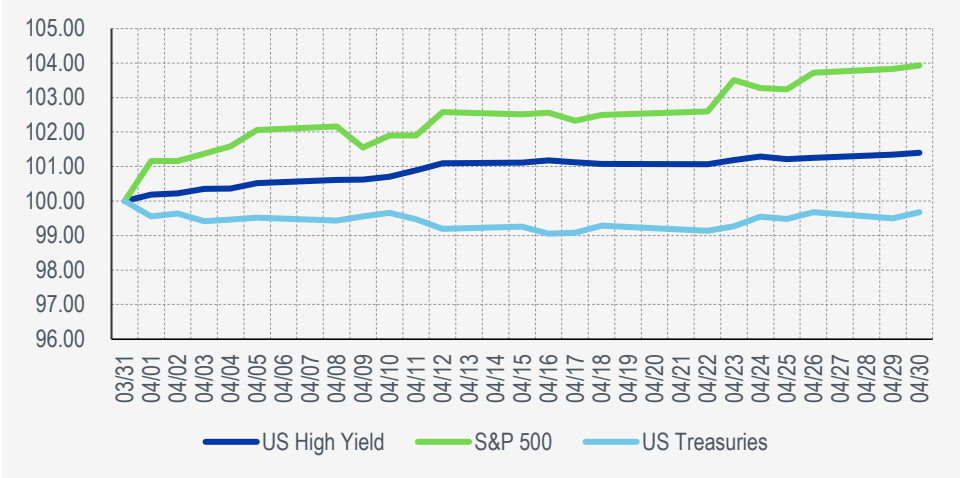
The month's best performer was the Air Methods senior unsecured notes (AIRM +41% excess return), which bounced higher despite a rating downgrade from Moody's. The distant next-best performer was tanker company Navios Maritime Holdings (+17%), which returned to the top of the rankings as it continued last month's rally. Bristow Group (BRS +16%) bounced back from the bottom of the list the prior month, as an investor class action lawsuit and proxy fight continue to roil the company. Next-best PetSmart's bonds (PETM +15%) made a sizable bounce as the company announced the spin-off of its successful online business, Chewy. The month's worst performer, by far, was Monitronics (MONINT -80%), which announced another wave of sizable losses and missed a payment on April 1.

**Table 4: US High Yield Index issuer returns**

Ticker	%weight	Avg. Rating	OAS	OAS chg	Total return%	Excess return%
<b>10 Best</b>						
AIRM	0.020	CCC2	1,557	-883	41.47	41.43
NM	0.045	B2	2,384	-632	17.11	16.94
BRS	0.028	CCC1	2,363	-692	15.83	15.70
PETM	0.257	CC	757	-361	15.35	15.31
HOS	0.021	CCC3	3,157	-670	13.71	13.51
CNGO	0.044	CCC2	901	-309	13.24	13.18
JONAHE	0.028	B2	1,567	-268	13.05	13.06
ADNT	0.055	B3	595	-181	11.38	11.55
CEC	0.020	CCC2	478	-430	9.85	9.69
MDR	0.094	CCC1	1,103	-236	9.69	9.62
<b>10 Worst</b>						
MONINT	0.010	CC	10,000	0	-80.00	-80.21
CCFI	0.007	CCC3	6,888	2123	-35.48	-35.63
CLD	0.006	CCC3	8,460	0	-22.83	-23.02
DF	0.038	CCC1	2,479	753	-18.74	-18.87
AMEPER	0.096	CCC2	3,906	145	-11.99	-12.19
HXN	0.189	CCC2	3,278	576	-10.88	-11.08
JONE	0.021	CCC3	3,181	94	-8.82	-8.96
MURREN	0.032	CC	4,840	701	-8.47	-8.62
RVBD	0.026	CCC2	1,877	319	-7.56	-7.68
SPN	0.096	B2	1,218	258	-6.44	-6.57

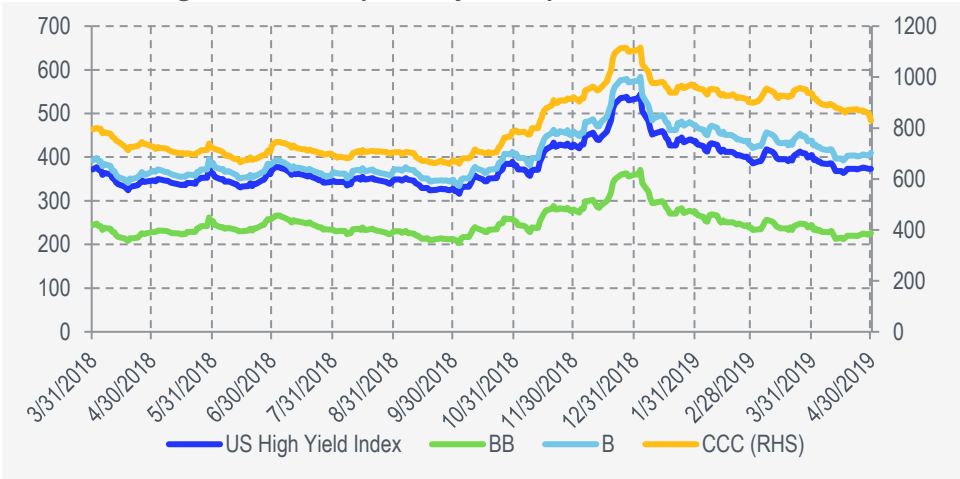
*High yield split the difference between the equity market's solid rally and the modest setback in Treasuries. That still left the US High Yield Index with a robust return for April.*

**Chart 9: US High Yield vs. Equities and Treasuries**



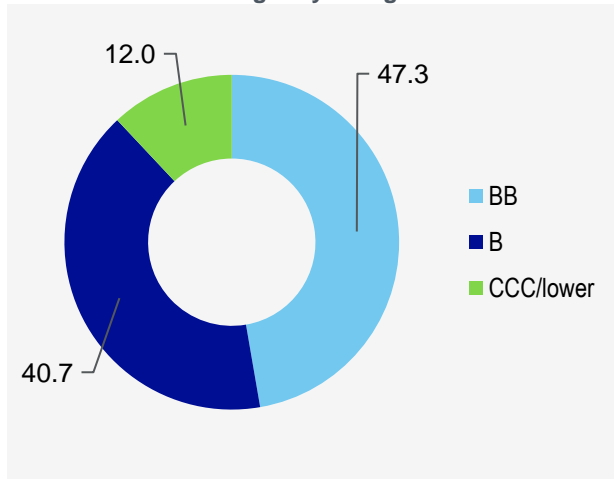
*The US High Yield Index spread tightened by 8% during April, and among rating segments the CCC-and-lower segment tightened the most (-11%),*

**Chart 10: US High Yield Index option-adjusted spreads vs. Treasuries**

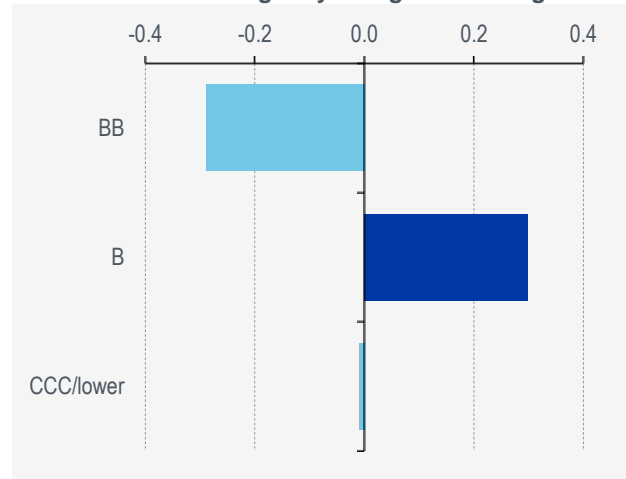


# Composition

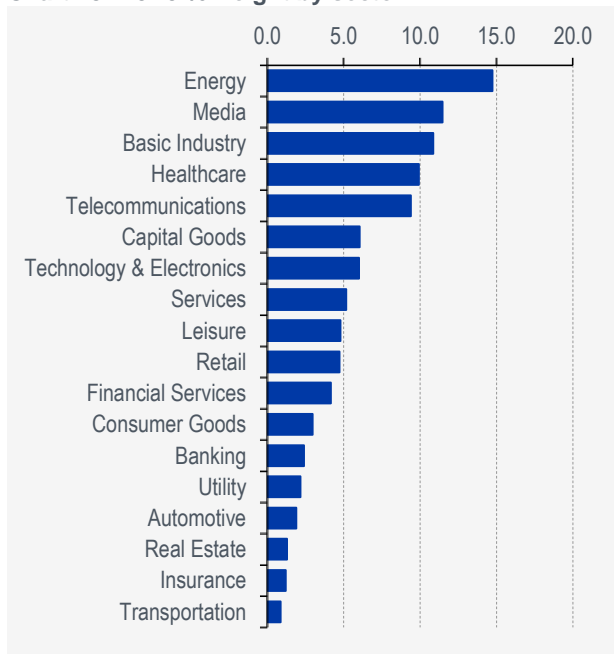
**Chart 11: H0A0 % weight by rating**



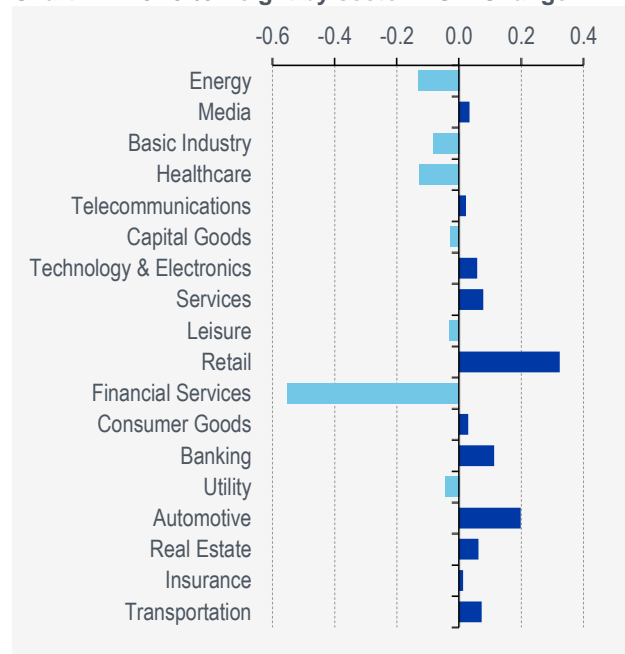
**Chart 12: H0A0 % weight by rating MOM change**



**Chart 13: H0A0 % weight by sector**



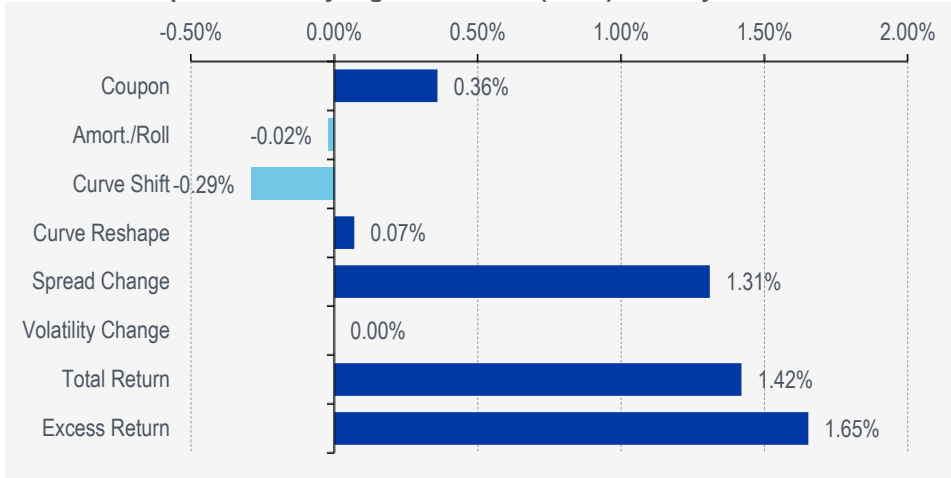
**Chart 14: H0A0 % weight by sector MOM Change**



# European High Yield Indices

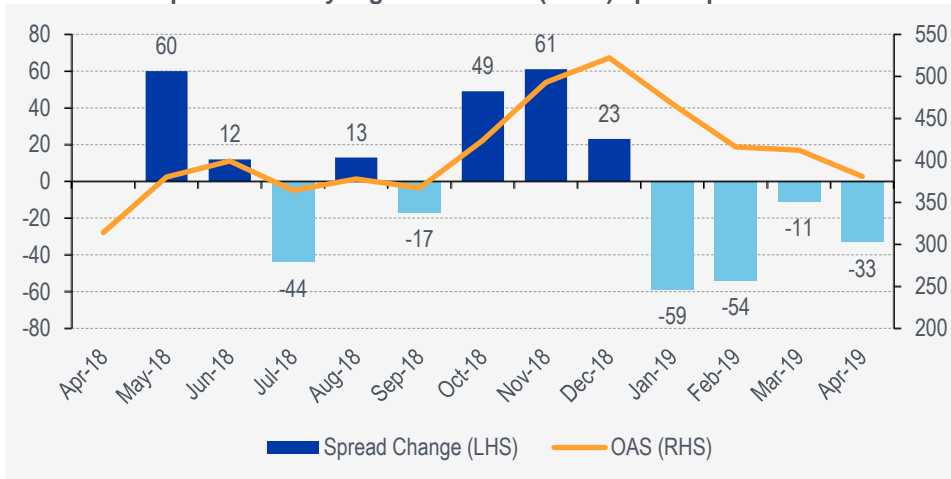
*The 2019 positive performance streak continued in April as a modest setback from the curve (-0.22%) was more than offset by another strong spread rally (1.31%).*

**Chart 15: European Currency High Yield Index (HP00) monthly return attribution**



*With April's 33bp rally the index spread has tightened in four consecutive months and moved back below the 400bp mark.*

**Chart 16: European Currency High Yield Index (HP00) spread performance**



**Table 5: European High Yield Index returns**

	Ticker	Local Return	Excess Return	Currency Return Unhedged				Currency Return Hedged			
				EUR	GBP	USD	JPY	EUR	GBP	USD	JPY
<b>Month</b>											
European Currencies	HP00	1.43	1.65	1.46	1.21	1.26	1.89	1.41	1.51	1.66	1.40
Euro Currencies	HE00	1.37	1.56	1.37	1.13	1.18	1.81	1.37	1.47	1.62	1.36
Sterling	HL00	1.80	2.30	2.04	1.80	1.85	2.48	1.70	1.80	1.95	1.69
European Issuers	HWPO	1.48	1.61	1.57	1.33	1.38	2.01	1.38	1.47	1.63	1.36
European Currencies Constrained	HPC0	1.44	1.66	1.47	1.23	1.27	1.91	1.43	1.52	1.68	1.41
Euro Constrained	HEC0	1.39	1.58	1.39	1.15	1.20	1.83	1.39	1.49	1.64	1.38
European Issuer Constrained	HQOC	1.49	1.62	1.59	1.35	1.39	2.03	1.39	1.49	1.64	1.38
Global High Yield	HW00	1.30	1.32	1.46	1.22	1.27	1.90	1.09	1.19	1.34	1.08
<b>YTD</b>											
European Currencies	HP00	6.71	6.34	7.28	2.75	5.18	6.77	6.67	6.99	7.71	6.70
Euro Currencies	HE00	6.72	6.38	6.72	2.22	4.63	6.21	6.72	7.05	7.77	6.76
Sterling	HL00	6.59	6.09	11.29	6.59	9.11	10.76	6.25	6.59	7.29	6.29
European Issuers	HWPO	7.02	6.21	8.21	3.64	6.09	7.69	6.59	6.91	7.64	6.63
European Currencies Constrained	HPC0	6.73	6.38	7.31	2.78	5.21	6.80	6.69	7.02	7.74	6.73
Euro Constrained	HEC0	6.76	6.43	6.76	2.25	4.66	6.25	6.76	7.09	7.81	6.80
European Issuer Constrained	HQOC	7.04	6.24	8.24	3.67	6.12	7.72	6.61	6.93	7.66	6.66
Global High Yield	HW00	8.13	6.74	10.02	5.37	7.86	9.49	7.26	7.54	8.32	7.29

*Nyrstar (NYRBB +24% excess return) turned in a second straight strong rebound rally. The worst performer, Spanish supermarket chain DIA (DIASM -10%), fell from the top of the rankings the prior month as it is under a takeover bid from Russian LetterOne.*

**Table 6: European Currency High Yield Index issuer returns**

Ticker	%weight	Avg. Rating	OAS	OAS chg	Total return%	Excess return%
<b>5 Best</b>						
NYRBB	0.056	C	3,010	-595	23.69	23.84
ALDESA	0.049	B3	-	-867	17.09	17.17
ANTOLN	0.167	B1	519	-277	14.98	15.24
ADNT	0.238	B3	704	-290	14.89	15.12
PAPREC	0.154	B2	509	-251	14.05	14.33
<b>5 Worst</b>						
DIASM	0.146	CCC2	1,562	464	-10.13	-10.00
INLOTG	0.148	CCC1	2,271	326	-8.40	-8.24
ATALIA	0.320	B3	1,118	168	-6.89	-6.55
OHLSM	0.130	B3	2,017	193	-3.80	-3.68
CPIPGR	0.173	BB1	491	34	-3.28	-3.12

**Table 7: European high yield index characteristics**

Index	Ticker	Issues	30-Apr			Change vs Prior Month			
			MktVal (EUR)	YTW	Mod Dur	Issues	MktVal (EUR)	YTW	Mod Dur
European Currency	HP00	597	327,653	3.6	3.32	9	9,578	-0.28	-0.09
Euro Currencies	HE00	492	287,042	3.26	3.3	8	8,422	-0.26	-0.08
Sterling	HL00	105	40,611	5.95	3.5	1	1,156	-0.47	-0.14
European Issuers	HWPO	737	405,495	4.9	3.48	-1	1,496	-0.27	-0.08

# Composition

Chart 17: HP00 % weight by rating

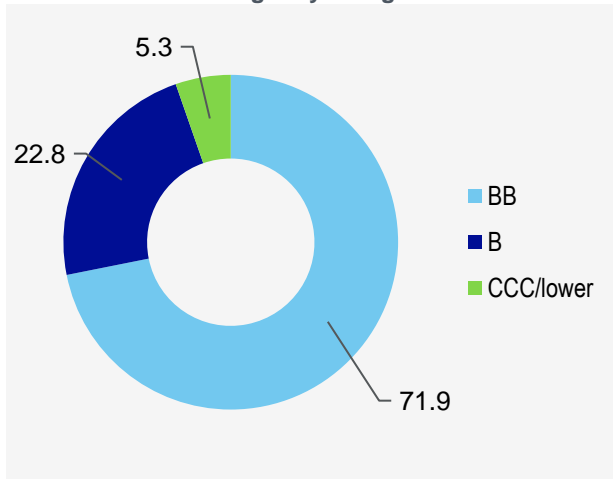


Chart 18: HP00 % weight by rating MOM change

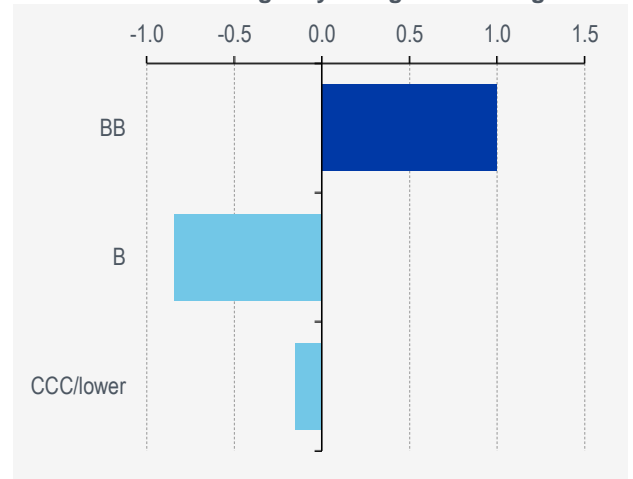


Chart 19: HP00 % weight by sector

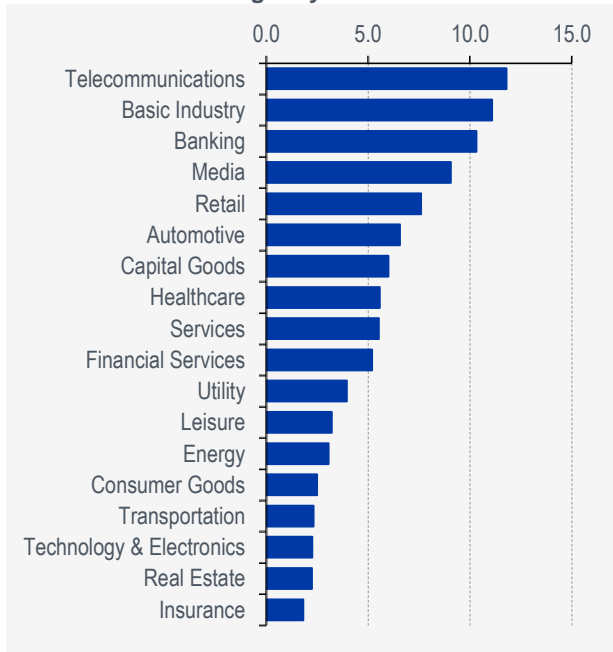
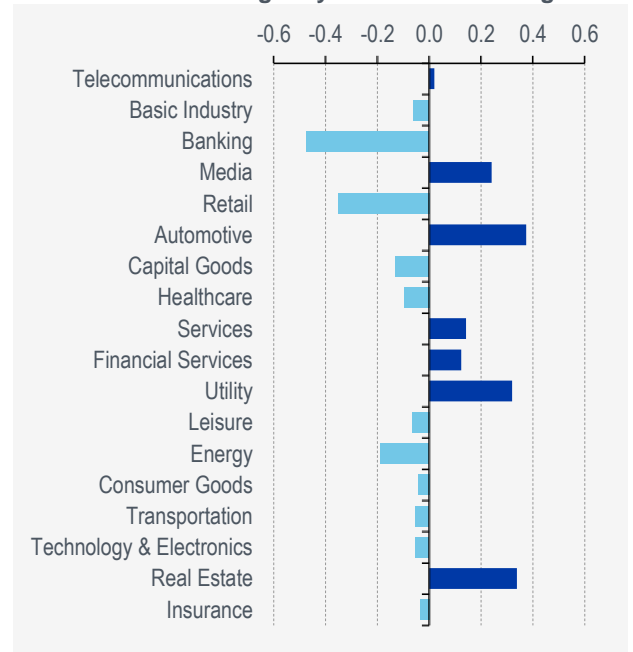


Chart 20: HP00 % weight by sector MOM Change

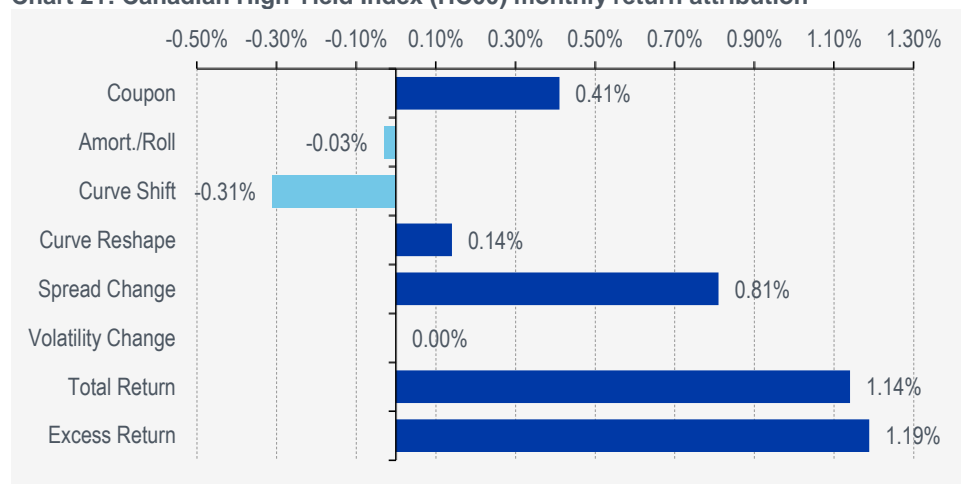




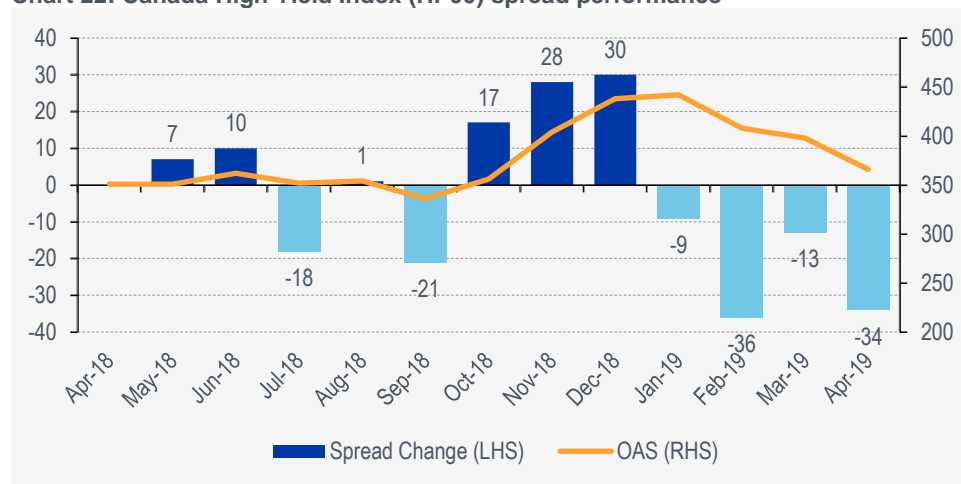
# Canadian High Yield Indices

*Like other segments of the Global High Yield Index, the C\$ index posted more than enough spread tightening return (0.81%) to offset the modest curve loss (-0.17%). April was a fourth straight 1+% total return for the index.*

**Chart 21: Canadian High Yield Index (HC00) monthly return attribution**



**Chart 22: Canada High Yield Index (HP00) spread performance**



**Table 8: Canadian high yield index characteristics**

	Ticker	Issues	Total Return		Excess Return	
			Mar	YTD	Mar	YTD
Canada High Yield Index	HC00	29	1.14	6.03	1.19	4.22
Global High Yield, Canadian Issuers Index	HWC0	116	0.95	8.39	0.90	6.75

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