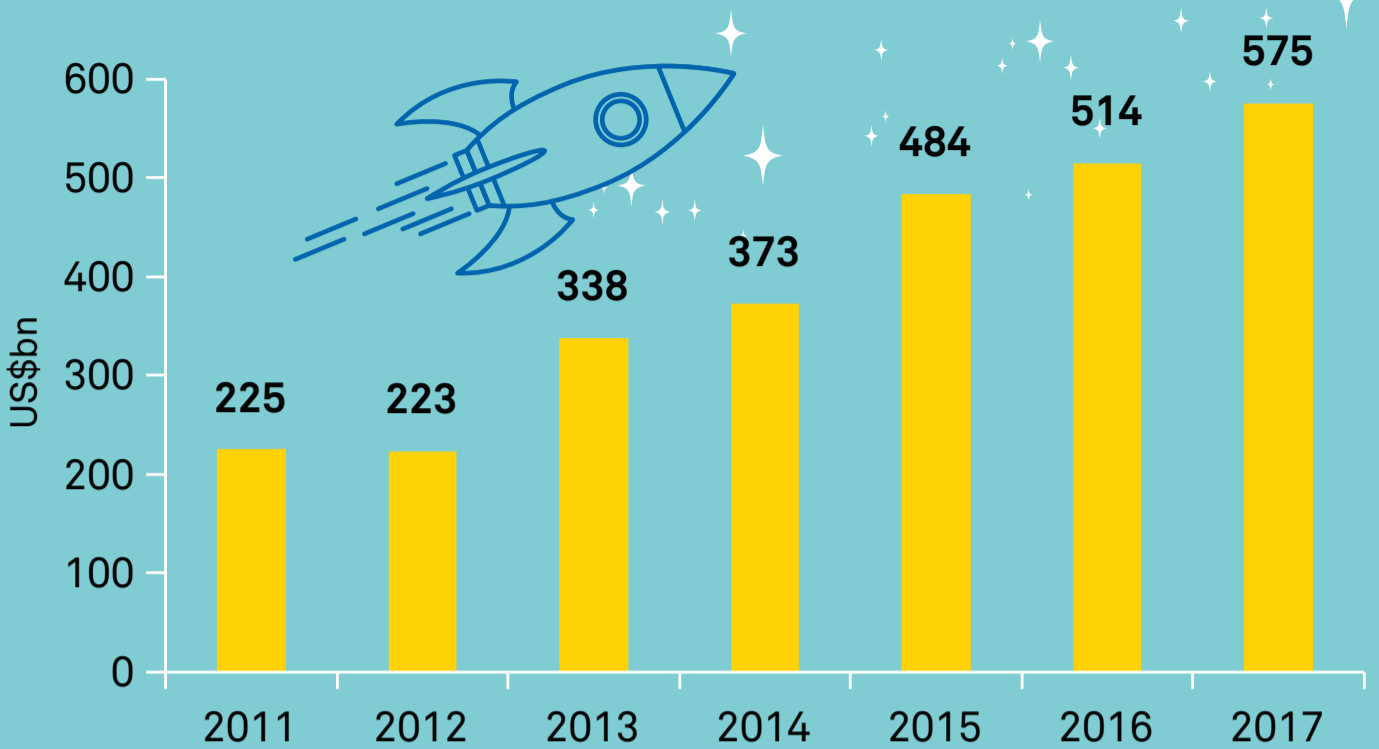


# Major growth in BBB-rated debt

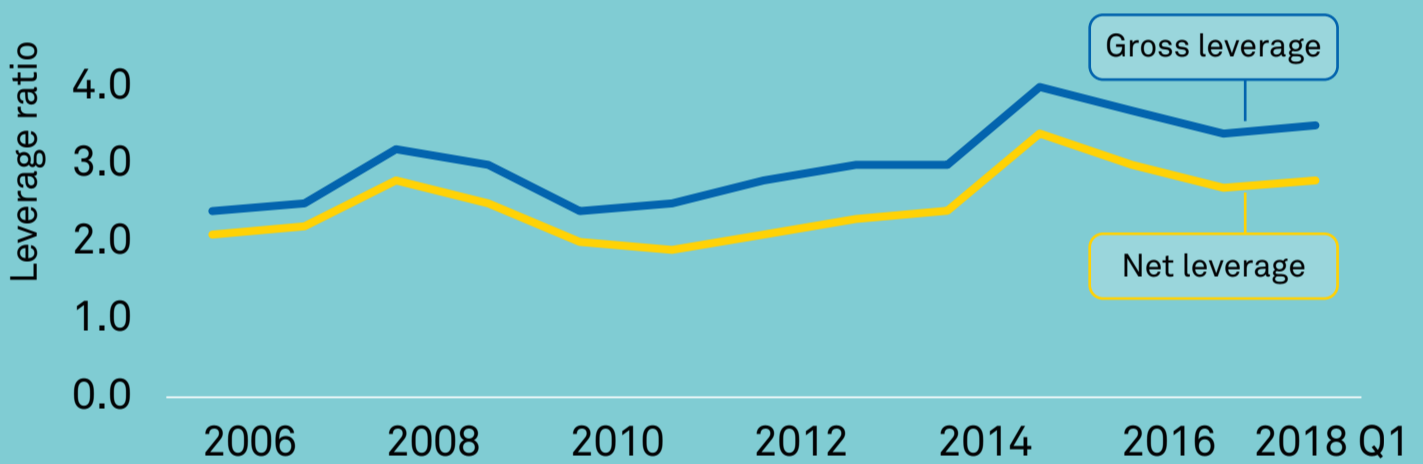
## US INVESTMENT GRADE BBB NON-FINANCIAL CORPORATE DEBT OUTSTANDING (US\$BN)



Source: JPMorgan, June 2018

## As leverage increases, is a BBB bubble building?

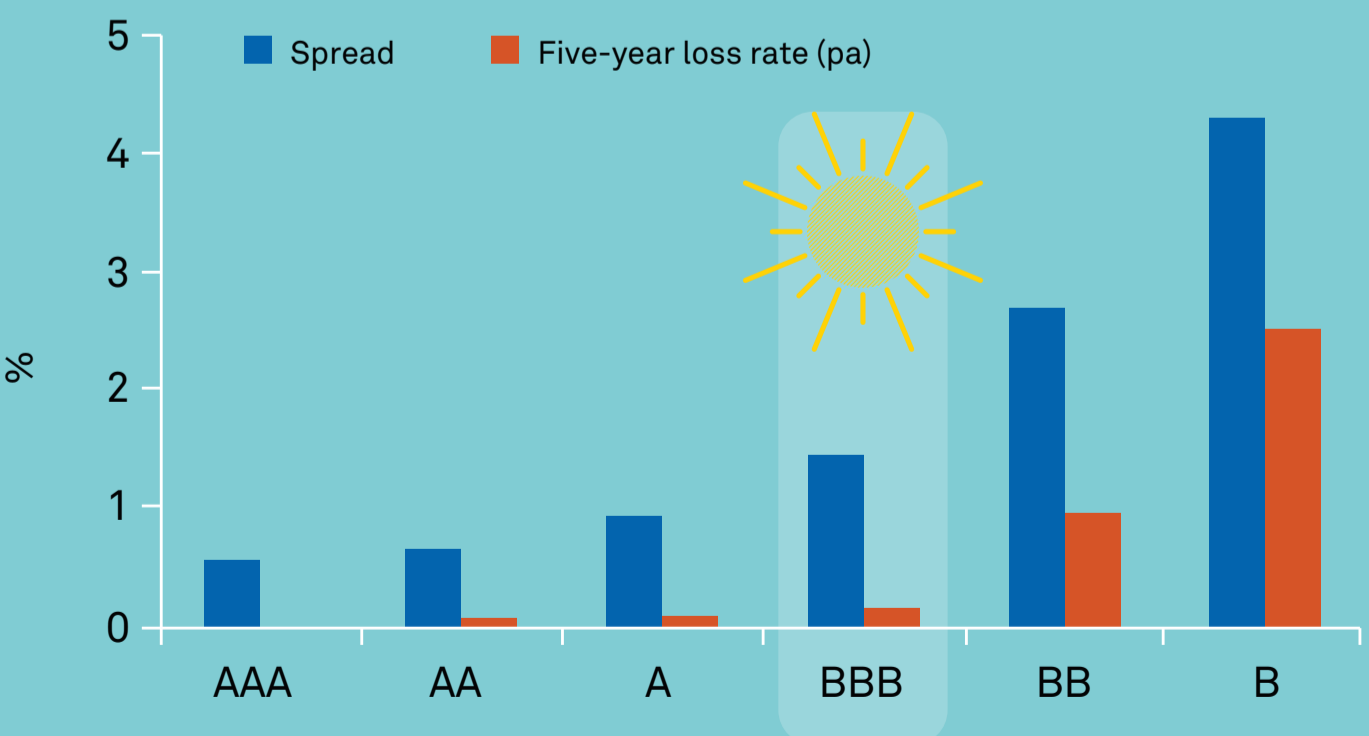
### NET AND GROSS LEVERAGE TRENDS



Source: Barclays, July 2018.

## Despite some concerns, valuations still look attractive for BBB

### SPREADS AND FIVE-YEAR LOSS RATE FOR CORPORATE BONDS



Source: Moody's, Annual Default Study: Corporates 1920-2017.