

## BofA IG Healthcare Weekly

## Vital Signs

## Industry Overview

**Healthcare highlights: ROSW, HUM, ELV, BIIB, SYK, BAX, LLY, MDT, JNJ, SDZ**

Roche issued \$875 million 4.790% notes due 2029, \$750 million 4.909% notes due 2031, \$1.25 billion 4.985% notes due 2034, \$1.0 billion 5.218% notes due 2054. S&P downgraded Humana to BBB from BBB+ and revised its outlook on Elevance to negative from stable. Moody's revised its outlook on Biogen to stable from negative, as well as its outlook on Stryker to positive from stable. Baxter disclosed it has been in recent discussions with select private equity investors to explore a potential sale of the Kidney Care asset in lieu of the proposed spinoff of the business. Eli Lilly announced that the timing of expected FDA action on donanemab for Alzheimer's disease will be delayed beyond the first quarter of 2024. Medtronic authorized an incremental \$5.0 billion for share repurchases. Johnson & Johnson announced the close of its acquisition of Ambrx Biopharma, Inc. Sandoz announced the close of its acquisition of the US biosimilar CIMERLI® from Coherus BioSciences, Inc.

**Earnings Scorecard update**

With 45 companies reporting so far, 80% have beat EPS estimates and 20% have missed. From a sales standpoint, 80% beat estimates and 20% missed. 73% of companies issued guidance, 13% affirmed, 11% raised, and 3% lowered.

**Healthcare outperformed the IG Index last week**

The ICE BofA IG Healthcare index outperformed the ICE BofA IG index, at 1.34% versus 1.07% on a total-return basis. Healthcare Facilities led other subsectors, with a total return of 1.72%. In Europe, Healthcare outperformed the ICE BofA EMU index, at 0.72% versus 0.55%.

**YTD, Healthcare underperformed on total return**

YTD, IG Healthcare has underperformed the ICE BofA IG index, at a total return of -0.65% versus -0.19%, and on an excess-return basis, IG Healthcare has underperformed, at 33 bps versus the index at 50 bps. IG Healthcare OAS was +84 bps versus the US Corp index at +100 bps. On a total-return basis, Healthcare Facilities performed the best within the IG Healthcare subsectors, at 0.66%; Healthcare Services ranked second, at -0.61%; Managed Care was the biggest laggard, at -1.16%.

**Earnings Calendar: One company reports this week (SDZ)**

See page 5 for full healthcare earnings calendar.

11 March 2024

High Grade Credit  
United States  
Healthcare

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**Abbreviations**

ROSW	Roche
HUM	Humana
ELV	Elevance
BIIB	Biogen
SYK	Stryker
BAX	Baxter
LLY	Eli Lilly
MDT	Medtronic
JNJ	Johnson & Johnson
SDZ	Sandoz
OAS	Option-adjusted spread
YTD	Year to date

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Timestamp: 11 March 2024 09:00AM EDT

# Returns Summary

## Exhibit 1: Healthcare & Corporate Indices Returns Summary

The ICE BofA IG Healthcare index outperformed the ICE BofA IG index, at 1.34% versus 1.07% on a total-return basis.

	Total Returns					Excess Returns				
	1 week	MTD	QTD	YTD	12 month	1 week	MTD	QTD	YTD	12 month
US Corp Master	1.07%	1.07%	-0.19%	-0.19%	7.31%	1 bps	1 bps	50 bps	50 bps	391 bps
Healthcare Index	1.34%	1.34%	-0.65%	-0.65%	6.59%	6 bps	6 bps	33 bps	33 bps	388 bps
Pharmaceuticals	1.37%	1.37%	-0.77%	-0.77%	6.27%	9 bps	9 bps	20 bps	20 bps	361 bps
Medical Products	1.16%	1.16%	-0.69%	-0.69%	7.10%	-1 bps	-1 bps	10 bps	10 bps	354 bps
Managed Care	1.23%	1.23%	-1.16%	-1.16%	6.39%	-8 bps	-8 bps	-13 bps	-13 bps	375 bps
Healthcare Services	1.13%	1.13%	-0.61%	-0.61%	6.93%	1 bps	1 bps	9 bps	9 bps	357 bps
Healthcare Facilities	1.72%	1.72%	0.66%	0.66%	7.49%	21 bps	21 bps	199 bps	199 bps	579 bps
Sterling Corporate Securities Index	0.93%	0.93%	-0.74%	-0.74%	7.50%	20 bps	20 bps	122 bps	122 bps	499 bps
Sterling Healthcare	1.15%	1.15%	-2.42%	-2.42%	6.54%	13 bps	13 bps	2 bps	2 bps	408 bps
EMU Corp	0.55%	0.55%	-0.26%	-0.26%	7.53%	12 bps	12 bps	103 bps	103 bps	325 bps
Euro Healthcare	0.72%	0.72%	-0.78%	-0.78%	7.06%	18 bps	18 bps	69 bps	69 bps	258 bps

Source: ICE Data Indices, LLC

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## Exhibit 2: Healthcare Index Statistics

IG Healthcare OAS was +84 bps versus the US Corp index at +100 bps.

	Rating	# of Issues	% of Index	Avg Issue Size	Yield to Worst	OAS	Effective Duration	Spread Duration
US Corp Master	A3	10309	100.00%	803	5.36%	100 bps	6.7	6.7
<b>Healthcare Index</b>	<b>A3</b>	<b>881</b>	<b>9.62%</b>	<b>904</b>	<b>5.14%</b>	<b>84 bps</b>	<b>8.4</b>	<b>8.3</b>
Pharmaceuticals	A2	328	4.85%	1224	5.06%	76 bps	8.4	8.3
Medical Products	BBB1	121	1.06%	724	5.09%	81 bps	7.2	7.1
Managed Care	A3	152	1.69%	922	5.21%	90 bps	8.6	8.5
Healthcare Services	BBB2	71	0.88%	1026	5.31%	100 bps	7.0	6.9
Healthcare Facilities	A3	209	1.14%	451	5.33%	100 bps	10.5	10.4
Sterling Corporate Securities Index	A3	967	100.00%	404	5.51%	118 bps	6.3	6.4
<b>Sterling Healthcare</b>	<b>A3</b>	<b>15</b>	<b>2.04%</b>	<b>530</b>	<b>4.84%</b>	<b>62 bps</b>	<b>8.2</b>	<b>8.1</b>
EMU Corp	A3	4226	100.00%	689	3.84%	119 bps	4.5	4.7
<b>Euro Healthcare</b>	<b>A3</b>	<b>210</b>	<b>5.22%</b>	<b>723</b>	<b>3.53%</b>	<b>100 bps</b>	<b>5.5</b>	<b>5.5</b>

Source: ICE Data Indices, LLC

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## M&A YTD

### Exhibit 3: 2024 Mergers and Acquisitions

\$29.9 bn of M&A has been announced YTD

Announce Date	Acquirer	Target	Total Value	Close
1/8/2024	Johnson & Johnson	Ambrx Biopharma, Inc.	\$1,900	3/07/2024
1/8/2024	Merck	Harpoon Therapeutics	\$680	1H'24
1/8/2024	Boston Scientific	Axonics, Inc.	\$3,700	1H'24
1/9/2024	GSK plc	Aiolos Bio, Inc.	\$1,000	2/15/2024
1/22/2024	Sandoz	Coherus BioSciences	\$170	3/04/2024
1/23/2024	Sanofi	Inhibrx, Inc.	\$1,700	2Q'24
1/31/2024	Cardinal Health	Specialty Networks	\$1,200	
2/5/2024	Novo Nordisk	Catalent Fill Finish Sites	\$11,000	Year-end 2024
2/5/2024	Merck	Aqua Business of Elanco Animal Health Inc.	\$1,300	Mid-year 2024
2/5/2024	Novartis	MorphoSys AG	\$2,900	1H'24
2/12/2024	Gilead	CymaBay Therapeutics	\$4,300	1Q'24
<b>Total</b>			<b>\$29,850</b>	

Source: Bloomberg, company reports

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## Issuance YTD

### Exhibit 4: 2024 IG Healthcare New Issuance

\$61.8 bn of new issuance has been announced YTD.

Issue Date	Ticker	Company	Coupon	Maturity	Issue Spread	Amount USD (mm)
2/5/2024	BDX	Becton Dickinson	4.874	2/8/2029	75	\$625
2/5/2024	BDX	Becton Dickinson	3.519	2/8/2031		\$820
2/5/2024	BDX	Becton Dickinson	5.110	2/8/2034	95	\$550
2/5/2024	CI	Cigna	5.000	5/15/2029	90	\$1,000
2/5/2024	CI	Cigna	5.125	5/15/2031	100	\$750
2/5/2024	CI	Cigna	5.250	2/15/2034	110	\$1,250
2/5/2024	CI	Cigna	5.600	2/15/2054	125	\$1,500
2/5/2024	COR	Cencora	5.125	2/15/2034	98	\$500
2/7/2024	LLY	Eli Lilly	4.500	2/9/2027	30	\$1,000
2/7/2024	LLY	Eli Lilly	4.500	2/9/2029	45	\$1,000
2/7/2024	LLY	Eli Lilly	4.700	2/9/2034	60	\$1,500
2/7/2024	LLY	Eli Lilly	5.000	2/9/2054	70	\$1,500
2/7/2024	LLY	Eli Lilly	5.100	2/9/2064	77	\$1,500
2/14/2024	BMV	Bristol Myers		FRN		\$500
2/14/2024	BMV	Bristol Myers	4.950	2/20/2026	40	\$1,000
2/14/2024	BMV	Bristol Myers	4.900	2/22/2027	55	\$1,000
2/14/2024	BMV	Bristol Myers	4.900	2/22/2029	70	\$1,750
2/14/2024	BMV	Bristol Myers	5.100	2/22/2031	85	\$1,250
2/14/2024	BMV	Bristol Myers	5.200	2/22/2034	95	\$2,500
2/14/2024	BMV	Bristol Myers	5.500	2/22/2044	100	\$500
2/14/2024	BMV	Bristol Myers	5.550	2/22/2054	115	\$2,750
2/14/2024	BMV	Bristol Myers	5.650	2/22/2064	125	\$1,750
2/14/2024	CAH	Cardinal Health	5.125	2/15/2029	90	\$650
2/14/2024	CAH	Cardinal Health	5.450	2/15/2034	120	\$500
2/21/2024	AZN	AstraZeneca	4.800	2/26/2027	42	\$1,250
2/21/2024	AZN	AstraZeneca	4.850	2/26/2029	57	\$1,250
2/21/2024	AZN	AstraZeneca	4.900	2/26/2031	62	\$1,000
2/21/2024	AZN	AstraZeneca	5.000	2/26/2034	72	\$1,500
2/22/2024	BSX	Boston Scientific	3.375	3/8/2029		\$820
2/22/2024	BSX	Boston Scientific	3.500	3/8/2032		\$1,367
2/22/2024	ABBV	AbbVie	4.800	3/15/2027	35	\$2,250
2/22/2024	ABBV	AbbVie	4.800	3/15/2029	50	\$2,500
2/22/2024	ABBV	AbbVie	4.950	3/15/2031	60	\$2,000
2/22/2024	ABBV	AbbVie	5.050	3/15/2034	75	\$3,000
2/22/2024	ABBV	AbbVie	5.350	3/15/2044	75	\$750
2/22/2024	ABBV	AbbVie	5.400	3/15/2054	95	\$3,000
2/22/2024	ABBV	AbbVie	5.500	3/15/2064	105	\$1,500
2/23/2024	SOLV	Solventum	5.450	2/25/2027	100	\$1,000
2/23/2024	SOLV	Solventum	5.400	3/1/2029	115	\$1,500



**Exhibit 4: 2024 IG Healthcare New Issuance**

\$61.8 bn of new issuance has been announced YTD.

Issue Date	Ticker	Company	Coupon	Maturity	Issue Spread	Amount USD (mm)
2/23/2024	SOLV	Solventum	5.450	3/13/2031	120	\$1,000
2/23/2024	SOLV	Solventum	5.600	3/23/2034	135	\$1,650
2/23/2024	SOLV	Solventum	5.900	4/30/2054	155	\$1,250
2/23/2024	SOLV	Solventum	6.000	5/15/2064	165	\$500
2/27/2024	TMO	Thermo Fisher	1.653	3/7/2028		\$376
2/27/2024	TMO	Thermo Fisher	1.840	3/8/2032		\$473
2/27/2024	TMO	Thermo Fisher	2.038	3/7/2036		\$371
3/4/2024	ROSW	Roche	4.790	3/8/2029	58	\$875
3/4/2024	ROSW	Roche	4.909	3/8/2031	68	\$750
3/4/2024	ROSW	Roche	4.985	3/8/2034	77	\$1,250
3/4/2024	ROSW	Roche	5.218	3/8/2054	87	\$1,000

Source: Bloomberg, company reports

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## 2024 Debt Maturities

**Exhibit 5: 2024 Maturities**

\$55.0 bn of bonds mature in 2024

Company	Coupon	Maturity	Amount Outstanding USD
Pfizer Inc	2.950%	3/15/2024	\$750
Cigna Group	0.613%	3/15/2024	\$500
McKesson Corp	3.796%	3/15/2024	\$647
Danaher Corp	1.700%	3/30/2024	\$984
Gilead Sciences Inc	3.700%	4/1/2024	\$1,750
Quest Diagnostics Inc	4.250%	4/1/2024	\$300
Sanofi SA	0.625%	4/5/2024	\$656
Novartis AG	3.400%	5/6/2024	\$2,150
AstraZeneca PLC	0.750%	5/12/2024	\$984
Bristol-Myers Squibb Co	3.625%	5/15/2024	\$395
Pfizer Inc	3.400%	5/15/2024	\$1,000
UnitedHealth Group Inc	0.550%	5/15/2024	\$1,000
Baxter International Inc	0.400%	5/15/2024	\$820
Becton Dickinson & Co	3.875%	5/15/2024	\$144
Stryker Corp	3.375%	5/15/2024	\$600
Cencora Inc	3.400%	5/15/2024	\$500
AbbVie Inc	1.375%	5/17/2024	\$1,585
Johnson & Johnson	0.650%	5/20/2024	\$820
Amgen Inc	3.625%	5/22/2024	\$1,400
Eli Lilly & Co	0.150%	5/24/2024	\$684
AstraZeneca PLC	0.700%	5/28/2024	\$1,600
AbbVie Inc	1.250%	6/1/2024	\$765
GSK PLC	3.000%	6/1/2024	\$1,000
Becton Dickinson & Co	3.363%	6/6/2024	\$998
AbbVie Inc	3.850%	6/15/2024	\$1,037
Cigna Group	3.500%	6/15/2024	\$828
Cardinal Health Inc	3.079%	6/15/2024	\$750
Viatis Inc	1.023%	6/23/2024	\$820
Bristol-Myers Squibb Co	2.900%	7/26/2024	\$2,478
CVS Health Corp	3.375%	8/12/2024	\$650
CVS Health Corp	2.625%	8/15/2024	\$1,000
Elevance Health Inc	3.500%	8/15/2024	\$800
UnitedHealth Group Inc	2.375%	8/15/2024	\$750
Laboratory Corp of America	3.250%	9/1/2024	\$600
Thermo Fisher Scientific Inc	0.750%	9/12/2024	\$1,093
Roche Holding AG	0.100%	9/23/2024	\$855
Roche Holding AG	3.350%	9/30/2024	\$589
Humana Inc	3.850%	10/1/2024	\$600
UnitedHealth Group Inc	5.000%	10/15/2024	\$500
Thermo Fisher Scientific Inc	1.215%	10/18/2024	\$2,500
Merck & Co Inc	0.500%	11/2/2024	\$547

**Exhibit 5: 2024 Maturities**

\$55.0 bn of bonds mature in 2024

Company	Coupon	Maturity	Amount Outstanding USD
Johnson & Johnson	5.500%	11/6/2024	\$642
CVS Health Corp	3.500%	11/15/2024	\$750
Danaher Corp	2.200%	11/15/2024	\$700
Cardinal Health Inc	3.500%	11/15/2024	\$400
GE HealthCare Technologies Inc	5.550%	11/15/2024	\$1,000
Stryker Corp	FRN	11/16/2024	\$547
Abbott Laboratories	0.100%	11/19/2024	\$645
AbbVie Inc	2.600%	11/21/2024	\$3,750
Viatis Inc	2.250%	11/22/2024	\$1,093
Zimmer Biomet Holdings Inc	1.450%	11/22/2024	\$850
Baxter International Inc	1.322%	11/29/2024	\$1,400
Baxter International Inc	FRN	11/29/2024	\$300
CVS Health Corp	5.000%	12/1/2024	\$300
Elevance Health Inc	3.350%	12/1/2024	\$850
Laboratory Corp of America	2.300%	12/1/2024	\$400
GSK PLC	1.375%	12/2/2024	\$1,093
Stryker Corp	0.250%	12/3/2024	\$929
Becton Dickinson & Co	3.734%	12/15/2024	\$875
<b>Total</b>			<b>\$54,951</b>

**Source:** Bloomberg, company reports

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## Earnings Calendar

**Exhibit 6: Q4'23 Earnings Calendar**

One company reports this week

Date	Weekday	Conf Call ET	Ticker	Company	Dial-in Number	Pin
3/13/2024	Wednesday	8:00:00 AM	SDZ SW	Sandoz	N.A.	N.A.

**Source:** Bloomberg

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**Exhibit 7: BofA Global Research Investment Grade Pharmaceuticals Pricing Sheet**

## Pharmaceuticals Pricing Sheet

Description	Amt	Price	Moody's/S&P/Fitch	Duration	Price	Yield	Bid Spread	Z Spread	OAS	G Spread
<b>AbbVie Inc.</b>										
ABBV 4.8 29	\$2,500	100.59	A3/A-	4.34	\$100.59	4.664%	61 bps	80 bps	59 bps	60 bps
ABBV 5.05 34	\$3,000	101.88	A3/A-	7.64	\$101.88	4.807%	74 bps	108 bps	72 bps	74 bps
ABBV 5.4 54	\$3,000	104.13	A3/A-	14.94	\$104.13	5.127%	90 bps	157 bps	88 bps	90 bps
<b>Amgen Inc.</b>										
AMGN 4.05 29	\$1,250	96.41	Baa1/BBB+/BBB	4.79	\$96.41	4.809%	75 bps	99 bps	73 bps	75 bps
AMGN 5.25 33	\$4,250	101.19	Baa1/BBB+/BBB	6.93	\$101.19	5.080%	101 bps	134 bps	98 bps	101 bps
AMGN 5.65 53	\$4,250	102.69	Baa1/BBB+/BBB	14.24	\$102.69	5.463%	124 bps	188 bps	121 bps	122 bps
<b>AstraZeneca</b>										
AZN 4.85 29	\$1,250	100.72	A2/A/A-u	4.29	\$100.72	4.683%	63 bps	82 bps	60 bps	62 bps
AZN 5 34	\$1,500	101.67	A2/A/A-u	7.63	\$101.67	4.783%	71 bps	105 bps	69 bps	71 bps
AZN 3 51	\$750	70.69	A2/A/A-u	16.35	\$70.69	4.978%	75 bps	142 bps	71 bps	72 bps
<b>Biogen Inc.</b>										
BIIB 2.25 30	\$1,500	84.82	Baa2/BBB+	5.53	\$84.82	5.169%	111 bps	139 bps	111 bps	111 bps
BIIB 3.25 51	\$701	69.25	Baa2/BBB+	15.66	\$69.25	5.438%	121 bps	186 bps	117 bps	118 bps
<b>Bristol Myers</b>										
BMJ 4.9 29	\$1,750	100.78	A2/A	4.27	\$100.78	4.718%	66 bps	85 bps	63 bps	65 bps
BMJ 5.2 34	\$2,500	102.24	A2/A	7.55	\$102.24	4.907%	84 bps	118 bps	81 bps	84 bps
BMJ 5.55 54	\$2,750	103.88	A2/A	14.66	\$103.88	5.289%	106 bps	172 bps	104 bps	106 bps
<b>Gilead Sciences Inc.</b>										
GILD 1.65 30	\$1,000	82.02	A3/BBB+	5.99	\$82.02	4.890%	82 bps	113 bps	83 bps	82 bps
GILD 5.25 33	\$1,000	102.56	A3/BBB+	7.17	\$102.56	4.905%	84 bps	117 bps	81 bps	84 bps
GILD 5.55 53	\$1,000	104.31	A3/BBB+	14.28	\$104.31	5.258%	103 bps	169 bps	101 bps	102 bps
<b>GSK PLC</b>										
GSK 3.375 29	\$1,000	94.93	A2/A	4.67	\$94.93	4.475%	42 bps	65 bps	40 bps	42 bps
GSK 4.2 43	\$500	89.31	A2/A	12.30	\$89.31	5.083%	76 bps	138 bps	78 bps	78 bps
<b>Johnson &amp; Johnson</b>										
JNJ 1.3 30	\$1,750	83.03	Aaa/AAA	6.06	\$83.03	4.336%	28 bps	58 bps	28 bps	27 bps
JNJ 3.55 36	\$1,000	89.69	Aaa/AAA	9.48	\$89.69	4.685%	62 bps	97 bps	55 bps	56 bps
JNJ 2.25 50	\$1,000	62.99	Aaa/AAA	17.64	\$62.99	4.711%	49 bps	115 bps	44 bps	45 bps
<b>Eli Lilly</b>										
LLY 4.5 29	\$1,000	100.35	A1/A+	4.28	\$100.35	4.419%	36 bps	55 bps	33 bps	35 bps
LLY 4.7 34	\$1,500	99.97	A1/A+	7.82	\$99.97	4.703%	63 bps	98 bps	61 bps	63 bps
LLY 5 54	\$1,500	100.30	A1/A+	15.27	\$100.30	4.980%	75 bps	142 bps	73 bps	75 bps
<b>Merck</b>										
MRK 4.3 30	\$750	97.69	A1/A+	5.28	\$97.69	4.734%	66 bps	95 bps	65 bps	67 bps
MRK 4.5 33	\$1,500	98.92	A1/A+	7.33	\$98.92	4.645%	58 bps	92 bps	55 bps	58 bps
MRK 5 53	\$1,500	99.08	A1/A+	14.96	\$99.08	5.060%	83 bps	150 bps	81 bps	82 bps
<b>Merck KGaA</b>										
MRKGR 3.25 25	\$1,600	97.92	A3/A	0.97	\$97.92	5.372%	88 bps	42 bps	57 bps	49 bps
<b>Novartis</b>										
NOVNVX 2.2 30	\$1,500	86.92	Aa3/AA-/AA-u	5.84	\$86.92	4.574%	52 bps	81 bps	51 bps	51 bps
NOVNVX 2.75 50	\$1,250	68.56	Aa3/AA-/AA-u	16.67	\$68.56	4.880%	65 bps	131 bps	61 bps	62 bps
<b>Pfizer</b>										
PFE 4.45 28	\$4,000	98.89	A2/A/Au	3.72	\$98.89	4.744%	69 bps	82 bps	59 bps	61 bps
PFE 4.75 33	\$5,000	98.86	A2/A/Au	7.25	\$98.86	4.905%	84 bps	117 bps	81 bps	84 bps
PFE 5.3 53	\$6,000	100.48	A2/A/Au	14.46	\$100.48	5.267%	104 bps	170 bps	102 bps	103 bps
<b>Roche Holdings</b>										
ROSW 4.79 29	\$875	100.55	Aa2/AA/AA	4.33	\$100.55	4.663%	60 bps	80 bps	58 bps	60 bps
ROSW 4.985 34	\$1,250	101.05	Aa2/AA/AA	7.65	\$101.05	4.850%	78 bps	112 bps	76 bps	78 bps
ROSW 5.218 54	\$1,000	101.94	Aa2/AA/AA	15.10	\$101.94	5.090%	86 bps	153 bps	85 bps	86 bps
<b>Royalty Pharma</b>										
RPRX 2.2 30	\$997	83.56	Baa3/BBB-/BBB-	5.86	\$83.56	5.226%	117 bps	146 bps	117 bps	116 bps
RPRX 2.15 31	\$600	80.75	Baa3/BBB-/BBB-	6.68	\$80.75	5.304%	124 bps	157 bps	124 bps	123 bps
RPRX 3.35 51	\$700	66.63	Baa3/BBB-/BBB-	15.37	\$66.63	5.792%	157 bps	222 bps	154 bps	154 bps
<b>Viatis</b>										
VTRS 2.7 30	\$1,450	84.96	Baa3/BBB-/BBB	5.57	\$84.96	5.571%	152 bps	180 bps	151 bps	151 bps
VTRS 4 50	\$2,000	69.44	Baa3/BBB-/BBB	13.77	\$69.44	6.422%	220 bps	282 bps	216 bps	216 bps
<b>Zoetis Inc</b>										
ZTS 5.6 32	\$750	104.63	Baa1/BBB	6.60	\$104.63	4.923%	85 bps	118 bps	83 bps	85 bps
ZTS 3 50	\$500	70.06	Baa1/BBB	15.92	\$70.06	5.080%	85 bps	150 bps	80 bps	81 bps

Source: Company reports, Bloomberg. U refers to an unsolicited rating by Fitch.



**Exhibit 8: BofA Global Research Investment Grade Clinical Lab Pricing Sheet**

## Clinical Lab Pricing Sheet

Description	Amt.	Price	Moody's/S&P/Fitch	Duration	Price	Yield	Bid Spread	Z Spread	OAS	G Spread
<b>Laboratory Corp</b>										
LH 2.95 29	\$650	90.10	Baa2/BBB	5.10	\$90.10	4.957%	90 bps	116 bps	90 bps	90 bps
LH 2.7 31	\$500	86.11	Baa2/BBB	6.33	\$86.11	5.016%	95 bps	127 bps	95 bps	95 bps
LH 4.7 45	\$900	91.39	Baa2/BBB	12.73	\$91.39	5.391%	106 bps	171 bps	106 bps	107 bps
<b>Quest Diagnostics</b>										
DGX 4.2 29	\$500	97.29	Baa2/BBB+/BBB	4.65	\$97.29	4.783%	73 bps	95 bps	70 bps	72 bps
DGX 6.4 33	\$750	108.29	Baa2/BBB+/BBB	7.01	\$108.29	5.276%	121 bps	154 bps	118 bps	121 bps
DGX 4.7 45	\$300	90.74	Baa2/BBB+/BBB	12.54	\$90.74	5.445%	112 bps	176 bps	112 bps	113 bps

Source: Company reports, Bloomberg.

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**Exhibit 9: BofA Global Research Investment Grade Managed Care Pricing Sheet**

## Managed Care Pricing Sheet

Description	Amt.	Price	Moody's/S&P/Fitch	Duration	Price	Yield	Bid Spread	Z Spread	OAS	G Spread
<b>Cigna</b>										
CI 5 29	\$1,000	100.08	Baa1/A-/BBB+	4.49	\$100.08	4.984%	93 bps	114 bps	91 bps	93 bps
CI 5.25 34	\$1,250	100.39	Baa1/A-/BBB+	7.49	\$100.39	5.199%	113 bps	147 bps	110 bps	113 bps
CI 5.6 54	\$1,500	100.68	Baa1/A-/BBB+	14.33	\$100.68	5.552%	133 bps	198 bps	131 bps	132 bps
<b>CVS</b>										
CVS 5 29	\$1,000	100.39	Baa2/BBB	4.20	\$100.39	4.908%	85 bps	104 bps	82 bps	84 bps
CVS 5.25 33	\$1,750	100.31	Baa2/BBB	6.89	\$100.31	5.205%	114 bps	146 bps	110 bps	114 bps
CVS 5.625 53	\$1,250	98.54	Baa2/BBB	14.06	\$98.54	5.729%	150 bps	215 bps	148 bps	149 bps
<b>Elevance Health</b>										
ELV 2.875 29	\$825	90.81	Baa2/A/BBB+	4.91	\$90.81	4.794%	74 bps	98 bps	73 bps	73 bps
ELV 4.75 33	\$1,000	97.69	Baa2/A/BBB+	7.15	\$97.69	5.075%	101 bps	134 bps	98 bps	101 bps
ELV 5.125 53	\$1,100	96.13	Baa2/A/BBB+	14.66	\$96.13	5.391%	117 bps	182 bps	114 bps	115 bps
<b>Humana</b>										
HUM 5.75 28	\$500	103.00	Baa2/BBB/BBB	3.97	\$103.00	5.014%	96 bps	112 bps	91 bps	93 bps
HUM 5.95 34	\$850	104.56	Baa2/BBB/BBB	7.26	\$104.56	5.345%	128 bps	161 bps	125 bps	128 bps
HUM 5.5 53	\$750	98.88	Baa2/BBB/BBB	13.95	\$98.88	5.579%	135 bps	201 bps	133 bps	134 bps
<b>UnitedHealth</b>										
UNH 4.25 29	\$1,250	98.08	A2/A+/A	4.29	\$98.08	4.696%	64 bps	83 bps	61 bps	63 bps
UNH 4.5 33	\$1,500	96.99	A2/A+/A	7.22	\$96.99	4.914%	85 bps	118 bps	82 bps	85 bps
UNH 5.05 53	\$2,000	97.11	A2/A+/A	14.64	\$97.11	5.244%	102 bps	168 bps	99 bps	101 bps

Source: Company reports, Bloomberg.

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**Exhibit 10: BofA Global Research Investment Grade Medical Products Pricing Sheet**

## Medical Products Pricing Sheet

Description	Amt.	Price	Moody's/S&P/Fitch	Duration	Price	Yield	Bid Spread	Z Spread	OAS	G Spread
<b>Abbott Labs</b>										
ABT 1.4 30	\$650	82.98	Aa3/AA-	5.87	\$82.98	4.537%	47 bps	77 bps	48 bps	47 bps
ABT 4.75 36	\$1,650	99.69	Aa3/AA-	9.33	\$99.69	4.782%	71 bps	106 bps	61 bps	64 bps
ABT 4.9 46	\$3,250	98.50	Aa3/AA-	13.35	\$98.50	5.011%	68 bps	136 bps	70 bps	71 bps
<b>Agilent Technologies</b>										
A 2.75 29	\$500	90.51	Baa1/BBB+/BBB+	4.93	\$90.51	4.726%	67 bps	92 bps	67 bps	67 bps
A 2.3 31	\$850	84.84	Baa1/BBB+/BBB+	6.30	\$84.84	4.883%	81 bps	114 bps	82 bps	81 bps
<b>Alcon</b>										
ALCSW 2.6 30	\$750	86.47	Baa2/BBB+	5.54	\$86.47	5.175%	112 bps	140 bps	112 bps	111 bps
ALCSW 5.375 32	\$700	101.14	Baa2/BBB+	6.66	\$101.14	5.207%	114 bps	146 bps	111 bps	114 bps
ALCSW 5.75 52	\$600	104.38	Baa2/BBB+	13.98	\$104.38	5.444%	122 bps	186 bps	119 bps	120 bps
<b>Baxter</b>										
BAX 2.272 28	\$1,249	88.56	Baa2/BBB/BBB-	4.34	\$88.56	5.024%	97 bps	117 bps	95 bps	94 bps
BAX 2.539 32	\$1,540	83.06	Baa2/BBB/BBB-	6.91	\$83.06	5.182%	111 bps	145 bps	111 bps	111 bps
BAX 3.132 51	\$750	66.63	Baa2/BBB/BBB-	15.79	\$66.63	5.489%	126 bps	193 bps	123 bps	124 bps
<b>Becton Dickinson</b>										
BDX 4.874 29	\$625	99.73	Baa2/BBB/BBB	4.30	\$99.73	4.935%	88 bps	107 bps	85 bps	87 bps
BDX 5.11 34	\$550	99.81	Baa2/BBB/BBB	7.66	\$99.81	5.135%	107 bps	140 bps	104 bps	107 bps
BDX 3.794 50	\$560	78.44	Baa2/BBB/BBB	14.87	\$78.44	5.331%	111 bps	174 bps	106 bps	107 bps
<b>Boston Scientific</b>										
BSX 2.65 30	\$1,200	88.61	Baa1/BBB+/BBB+	5.56	\$88.61	4.789%	73 bps	101 bps	73 bps	73 bps
BSX 4.55 39	\$450	94.56	Baa1/BBB+/BBB+	10.60	\$94.56	5.073%	100 bps	134 bps	86 bps	87 bps
BSX 4.7 49	\$650	93.31	Baa1/BBB+/BBB+	14.19	\$93.31	5.180%	95 bps	156 bps	89 bps	90 bps
<b>Danaher</b>										
DHR 2.6 29	\$800	89.95	A3/A-	5.12	\$89.95	4.634%	58 bps	83 bps	58 bps	57 bps
DHR 3.25 39	\$900	80.88	A3/A-	11.52	\$80.88	5.027%	96 bps	131 bps	80 bps	81 bps
DHR 2.8 51	\$1,000	66.44	A3/A-	16.69	\$66.44	5.065%	84 bps	152 bps	81 bps	82 bps
<b>Medtronic</b>										
MDT 4.25 28	\$1,000	98.38	A3/A	3.60	\$98.38	4.694%	64 bps	76 bps	53 bps	55 bps
MDT 4.5 33	\$1,000	97.69	A3/A	7.19	\$97.69	4.818%	75 bps	109 bps	73 bps	75 bps
MDT 4.625 45	\$1,813	94.81	A3/A	12.80	\$94.81	5.028%	70 bps	135 bps	71 bps	71 bps
<b>Stryker</b>										
SYK 4.85 28	\$600	100.60	Baa1/BBB+	4.08	\$100.60	4.704%	65 bps	82 bps	60 bps	62 bps
SYK 2.9 50	\$650	70.00	Baa1/BBB+	16.25	\$70.00	4.954%	73 bps	138 bps	68 bps	69 bps
<b>Thermo Fisher Scientific</b>										
TMO 5 29	\$1,000	101.38	A3/A-/A-	4.18	\$101.38	4.671%	62 bps	80 bps	58 bps	60 bps
TMO 5.2 34	\$500	102.44	A3/A-/A-	7.44	\$102.44	4.878%	81 bps	115 bps	78 bps	81 bps
TMO 4.1 47	\$750	85.63	A3/A-/A-	14.13	\$85.63	5.165%	84 bps	153 bps	86 bps	87 bps
<b>Zimmer Holdings</b>										
ZBH 5.35 28	\$500	101.87	Baa2/BBB/BBB	4.01	\$101.87	4.892%	84 bps	100 bps	79 bps	80 bps
ZBH 2.6 31	\$750	84.94	Baa2/BBB/BBB	6.73	\$84.94	4.978%	91 bps	124 bps	91 bps	91 bps
ZBH 4.45 45	\$395	90.99	Baa2/BBB/BBB	13.24	\$90.99	5.149%	82 bps	148 bps	82 bps	84 bps

Source: Company reports, Bloomberg.

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**Exhibit 11: BofA Global Research Investment Grade Distributors Pricing Sheet**

## Distributors Pricing Sheet

Description	Amt.	Price	Moody's/S&P/Fitch	Duration	Price	Yield	Bid Spread	Z Spread	OAS	G Spread
<b>Cencora</b>										
COR 2.7 31	\$1,000	86.44	Baa2/BBB+/A-	6.13	\$86.44	5.018%	95 bps	127 bps	95 bps	95 bps
COR 5.125 34	\$500	99.37	Baa2/BBB+/A-	7.66	\$99.37	5.206%	114 bps	148 bps	111 bps	114 bps
COR 4.3 47	\$500	87.61	Baa2/BBB+/A-	13.94	\$87.61	5.215%	89 bps	158 bps	91 bps	93 bps
<b>Cardinal Health</b>										
CAH 5.125 29	\$650	100.67	Baa2/BBB/BBB	4.23	\$100.67	4.967%	91 bps	110 bps	88 bps	90 bps
CAH 5.45 34	\$500	101.97	Baa2/BBB/BBB	7.45	\$101.97	5.189%	112 bps	146 bps	109 bps	112 bps
CAH 4.368 47	\$566	84.96	Baa2/BBB/BBB	13.51	\$84.96	5.524%	120 bps	188 bps	122 bps	123 bps
<b>McKesson</b>										
MCK 4.9 28	\$400	100.83	Baa1/BBB+/A-	3.78	\$100.83	4.681%	63 bps	76 bps	54 bps	55 bps
MCK 5.1 33	\$600	100.99	Baa1/BBB+/A-	7.16	\$100.99	4.963%	89 bps	123 bps	87 bps	89 bps
MCK 4.883 44	\$255	90.22	Baa1/BBB+/A-	11.92	\$90.22	5.709%	138 bps	201 bps	138 bps	138 bps

Source: Company reports, Bloomberg.

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