

BofA IG Healthcare Weekly

Vital Signs

Industry Overview

Healthcare highlights: HUM, CI

Humana lowered 2023 adjusted EPS guidance to \$26.09 from at least \$28.25, citing increased healthcare utilization in November and December. Specifically, Humana saw higher than anticipated inpatient utilization, as well as a further increase in non-inpatient trends in physician, outpatient surgeries, and supplemental benefits. Cigna announced that Brian Evanko will serve as President and Chief Executive Officer of Cigna Healthcare in addition to his current role as Chief Financial Officer of The Cigna Group. Ann Dennison was named Deputy Chief Financial Officer of The Cigna Group. Eric Palmer, current President and Chief Executive Officer of Evernorth Health Services, will also assume responsibility for enterprise strategy and corporate development.

Healthcare underperformed the IG Index last week

The ICE BofA IG Healthcare index underperformed the ICE BofA IG index, at -1.08% versus -0.76% on a total-return basis. Medical Products and Healthcare Services led other subsectors, with a total return of -0.93%. In Europe, Healthcare underperformed the ICE BofA EMU index, at -0.40% versus -0.26%.

YTD, Healthcare underperformed on total return

YTD, IG Healthcare has underperformed the ICE BofA IG index, at a total return of -1.45% versus -1.09%, and on an excess-return basis, IG Healthcare has outperformed, at 69 bps versus the index at 47 bps. IG Healthcare OAS was +79 bps versus the US Corp index at +101 bps. On a total-return basis, Healthcare Services performed the best within the IG Healthcare subsectors, at -1.06%; Medical Products ranked second, at -1.25%; Healthcare Facilities was the biggest laggard, at -1.92%.

Earnings Calendar: Four companies report this week

Exhibit 1: Q4'23 Earnings Calendar

Four companies report this week

Date	Weekday	Conf Call ET	Ticker	Company	Dial-in Number	Pin
1/23/2024	Tuesday	8:30:00 AM	JNJ	Johnson & Johnson	(877) 869-3847	N.A.
1/24/2024	Wednesday	8:30:00 AM	ELV	Elevance Health	(888) 947-9963	3972058
1/24/2024	Wednesday	9:00:00 AM	ABT	Abbott Labs	N.A.	N.A.
1/25/2024	Thursday	9:00:00 AM	HUM	Humana	(844) 543-0451	698335

Source: Bloomberg

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22 January 2024

High Grade Credit
United States
Healthcare

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Abbreviations

HUM	Humana
CI	Cigna
IG	Investment Grade
OAS	Option-adjusted spread
YTD	Year to date

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12647824

Timestamp: 22 January 2024 09:00AM EST

Returns Summary

Table 1: Healthcare & Corporate Indices Returns Summary

The ICE BofA IG Healthcare index underperformed the ICE BofA IG index, at -1.08% versus -0.76% 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	-0.76%	-1.09%	-1.09%	-1.09%	2.80%	27 bps	47 bps	47 bps	47 bps	407 bps
Healthcare Index	-1.08%	-1.45%	-1.45%	-1.45%	1.04%	28 bps	69 bps	69 bps	69 bps	377 bps
Pharmaceuticals	-1.05%	-1.41%	-1.41%	-1.41%	0.67%	30 bps	72 bps	72 bps	72 bps	343 bps
Medical Products	-0.93%	-1.25%	-1.25%	-1.25%	2.09%	22 bps	48 bps	48 bps	48 bps	357 bps
Managed Care	-1.19%	-1.57%	-1.57%	-1.57%	0.90%	21 bps	64 bps	64 bps	64 bps	380 bps
Healthcare Services	-0.93%	-1.06%	-1.06%	-1.06%	2.20%	16 bps	58 bps	58 bps	58 bps	372 bps
Healthcare Facilities	-1.32%	-1.92%	-1.92%	-1.92%	0.81%	42 bps	91 bps	91 bps	91 bps	530 bps
Sterling Corporate Securities Index	-0.71%	-2.48%	-2.48%	-2.48%	3.05%	-11 bps	-6 bps	-6 bps	-6 bps	366 bps
Sterling Healthcare	-1.14%	-3.86%	-3.86%	-3.86%	0.60%	-27 bps	-60 bps	-60 bps	-60 bps	234 bps
EMU Corp	-0.26%	-1.16%	-1.16%	-1.16%	3.79%	11 bps	6 bps	6 bps	6 bps	288 bps
Euro Healthcare	-0.40%	-1.51%	-1.51%	-1.51%	1.91%	7 bps	0 bps	0 bps	0 bps	159 bps

Source: ICE Data Indices, LLC

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Table 2: Healthcare Index Statistics

IG Healthcare OAS was +79 bps versus the US Corp index at +101 bps.

	Rating	# of Issues	% of Index	Avg Issue Size	Yield to Worst	OAS	Effective Duration	Spread Duration
US Corp Master	A3	10160	100.00%	799	5.34%	101 bps	6.7	6.7
Healthcare Index	A3	860	9.50%	897	5.11%	79 bps	8.3	8.2
Pharmaceuticals	A2	316	4.72%	1211	5.02%	69 bps	8.3	8.2
Medical Products	BBB1	119	1.06%	725	5.03%	76 bps	7.3	7.3
Managed Care	A3	150	1.71%	927	5.13%	81 bps	8.5	8.4
Healthcare Services	BBB2	69	0.89%	1051	5.24%	93 bps	7.0	6.9
Healthcare Facilities	A3	206	1.12%	440	5.43%	105 bps	10.1	10.0
Sterling Corporate Securities Index	A3	964	100.00%	399	5.59%	137 bps	6.2	6.3
Sterling Healthcare	A3	15	2.04%	523	4.87%	68 bps	8.3	8.1
EMU Corp	A3	4205	100.00%	683	3.89%	135 bps	4.4	4.6
Euro Healthcare	A3	210	5.25%	718	3.53%	110 bps	5.5	5.5

Source: ICE Data Indices, LLC

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M&A YTD

Exhibit 2: 2024 Mergers & Acquisitions

\$7.3 bn of M&A has been announced YTD

Announce Date	Acquirer	Target	Total Value USD (mm)	TV/EBITDA	TV/Sales
1/8/2024	Johnson & Johnson	Ambix Biopharma, Inc.	\$1,900	-	-
1/8/2024	Merck	Harpoon Therapeutics	\$680	-	-
1/8/2024	Boston Scientific	Axonics Bio, Inc.	\$3,700	107.25x	8.36x
1/9/2024	GSK plc	Aiolos Bio, Inc.	\$1,000	-	-
Total			\$7,280		

Source: Bloomberg, company reports

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2024 Debt Maturities

Exhibit 3: 2024 Maturities

\$59.7 billion of bonds mature in 2024.

Company	Coupon	Maturity	Amount Outstanding USD
Pfizer Inc	6.450%	2/1/2024	\$500
UnitedHealth Group Inc	3.500%	2/15/2024	\$750
Boston Scientific Corp	3.450%	3/1/2024	\$504
Roche Holding AG	0.450%	3/5/2024	\$500
Roche Holding AG	FRN	3/5/2024	\$350
Merck & Co Inc	2.900%	3/7/2024	\$750
Roche Holding AG	1.882%	3/8/2024	\$1,250
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	\$979
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	\$653
Novartis AG	3.400%	5/6/2024	\$2,150
AstraZeneca PLC	0.750%	5/12/2024	\$979
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	\$816
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	\$1,578
Johnson & Johnson	0.650%	5/20/2024	\$816
Amgen Inc	3.625%	5/22/2024	\$1,400
Eli Lilly & Co	0.150%	5/24/2024	\$690
AstraZeneca PLC	0.700%	5/28/2024	\$1,600
AbbVie Inc	1.250%	6/1/2024	\$761
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	\$1,000
Cardinal Health Inc	3.079%	6/15/2024	\$750
Viatis Inc	1.023%	6/23/2024	\$816
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	\$1,088
Roche Holding AG	0.100%	9/23/2024	\$863
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

Exhibit 3: 2024 Maturities

\$59.7 billion of bonds mature in 2024.

Company	Coupon	Maturity	Amount Outstanding USD
Merck & Co Inc	0.500%	11/2/2024	\$544
Johnson & Johnson	5.500%	11/6/2024	\$634
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	\$544
Abbott Laboratories	0.100%	11/19/2024	\$642
AbbVie Inc	2.600%	11/21/2024	\$3,750
Viatis Inc	2.250%	11/22/2024	\$1,088
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	\$1,088
Stryker Corp	0.250%	12/3/2024	\$925
Becton Dickinson & Co	3.734%	12/15/2024	\$875
Total			\$59,670

Source: Bloomberg, company data

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Earnings Calendar

Exhibit 4: Q4'23 Earnings Calendar

Four companies report this week

Date	Weekday	Conf Call ET	Ticker	Company	Dial-in Number	Pin
1/23/2024	Tuesday	8:30:00 AM	JNJ	Johnson & Johnson	(877) 869-3847	N.A.
1/24/2024	Wednesday	8:30:00 AM	ELV	Elevance Health	(888) 947-9963	3972058
1/24/2024	Wednesday	9:00:00 AM	ABT	Abbott Labs	N.A.	N.A.
1/25/2024	Thursday	9:00:00 AM	HUM	Humana	(844) 543-0451	698335
1/30/2024	Tuesday	8:00:00 AM	DHR	Danaher	(800) 245-3047	DHRQ423
1/30/2024	Tuesday	10:00:00 AM	HCA	HCA Inc	N.A.	N.A.
1/30/2024	Tuesday	10:00:00 AM	PFE	Pfizer	(800) 456-4352	84692
1/30/2024	Tuesday	4:30:00 PM	SYK	Stryker	N.A.	N.A.
1/31/2024	Wednesday	6:00:00 AM	GSK	GSK	N.A.	N.A.
1/31/2024	Wednesday	8:00:00 AM	BSX	Boston Scientific	N.A.	N.A.
1/31/2024	Wednesday	8:00:00 AM	TEVA	Teva Pharmaceuticals	(800) 249-2588	319343
1/31/2024	Wednesday	8:00:00 AM	NOVN SW	Novartis	N.A.	N.A.
1/31/2024	Wednesday	8:30:00 AM	COR	Cencora	(833) 470-1428	457478
1/31/2024	Wednesday	8:30:00 AM	TMO	Thermo Fisher Scientific	(833) 470-1428	718426
1/31/2024 (E)	Wednesday		NOVO	Novo Nordisk	N.A.	N.A.
2/1/2024	Thursday	8:00:00 AM	BDX	Becton Dickinson	N.A.	N.A.
2/1/2024	Thursday	8:00:00 AM	ROG SW	Roche Holding	N.A.	N.A.
2/1/2024	Thursday	8:00:00 AM	RVTY	Revvity	N.A.	N.A.
2/1/2024	Thursday	8:30:00 AM	CAH	Cardinal Health	N.A.	N.A.
2/1/2024	Thursday	8:30:00 AM	SAN FP	Sanofi	N.A.	N.A.
2/1/2024	Thursday	8:30:00 AM	DGX	Quest Diagnostics	(888) 455-0391	7895081
2/1/2024	Thursday	9:00:00 AM	MRK	Merck & Co.	N.A.	N.A.
2/2/2024	Friday	8:00:00 AM	BMJ	Bristol-Myers Squibb	(833) 816-1116	00140
2/2/2024	Friday	8:30:00 AM	CI	Cigna	(888) 566-1889	2022024
2/2/2024	Friday	8:30:00 AM	REGN	Regeneron	N.A.	N.A.
2/2/2024	Friday	9:00:00 AM	ABBV	AbbVie Pharmaceuticals	N.A.	N.A.
2/6/2024	Tuesday	8:30:00 AM	GEHC	GE Healthcare	N.A.	N.A.
2/6/2024	Tuesday	8:30:00 AM	CNC	Centene	N.A.	N.A.
2/6/2024	Tuesday	10:00:00 AM	LLY	Eli Lilly	N.A.	N.A.
2/6/2024	Tuesday	4:30:00 PM	AMGN	Amgen	N.A.	N.A.
2/6/2024	Tuesday	5:00:00 PM	GILD	Gilead Sciences	N.A.	N.A.
2/7/2024	Wednesday	8:00:00 AM	CVS	CVS Health	N.A.	N.A.
2/7/2024	Wednesday	4:30:00 PM	MCK	McKesson	N.A.	N.A.
2/8/2024	Thursday	6:45:00 AM	AZN	AstraZeneca	N.A.	N.A.
2/8/2024	Thursday	8:30:00 AM	ZBH	Zimmer Holdings	(888) 204-4368	5103691
2/8/2024	Thursday	8:30:00 AM	BAX	Baxter	(888) 330-2354	36521
2/8/2024	Thursday	5:00:00 PM	ILMN	Illumina	(877) 400-0505	1615812
2/8/2024	Thursday (E)		STE	Steris	N.A.	N.A.
2/13/2024	Tuesday	8:00:00 AM	BIIB	Biogen	N.A.	N.A.
2/13/2024	Tuesday	8:30:00 AM	ZTS	Zoetis	N.A.	N.A.
2/15/2024	Thursday	9:00:00 AM	LH	Labcorp	(844) 543-0451	821557
2/15/2024	Thursday		RPRX	Royalty Pharma	N.A.	N.A.
2/20/2024	Tuesday	8:00:00 AM	MDT	Medtronic	N.A.	N.A.
2/26/2024	Monday	5:30:00 PM	ALC	Alcon	N.A.	N.A.
2/27/2024	Tuesday (E)		VTRS	Viatis	N.A.	N.A.
2/28/2024	Wednesday (E)		A	Agilent	N.A.	N.A.
2/28/2024	Wednesday (E)		XRAY	Dentsply Sirona	N.A.	N.A.
3/7/2024	Thursday (E)		MRK GR	Merck KGaA	N.A.	N.A.
3/13/2024	Wednesday (E)		SDZ SW	Sandoz	N.A.	N.A.

Source: Bloomberg *E signifies estimated

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Exhibit 5: 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
AbbVie Inc.										
ABBV 3.2 29	\$5,437	92.75	A3/A-	5.19	\$92.75	4.634%	57 bps	84 bps	54 bps	55 bps
ABBV 4.05 39	\$4,000	89.00	A3/A-	11.18	\$89.00	5.068%	92 bps	123 bps	70 bps	71 bps
ABBV 4.25 49	\$5,745	86.88	A3/A-	14.64	\$86.88	5.177%	80 bps	142 bps	75 bps	76 bps
Amgen Inc.										
AMGN 5.25 33	\$4,250	100.81	Baa1/BBB+/BBB	6.88	\$100.81	5.135%	99 bps	134 bps	97 bps	100 bps
AMGN 5.65 53	\$4,250	101.94	Baa1/BBB+/BBB	13.94	\$101.94	5.514%	114 bps	178 bps	113 bps	114 bps
AstraZeneca										
AZN 4.875 33	\$500	101.74	A2/A/A-	7.02	\$101.74	4.634%	49 bps	84 bps	47 bps	50 bps
AZN 3 51	\$750	71.31	A2/A/A-	16.54	\$71.31	4.919%	54 bps	120 bps	51 bps	52 bps
Biogen Inc.										
BIIB 2.25 30	\$1,500	84.60	Baa2/BBB+	5.66	\$84.60	5.154%	109 bps	137 bps	106 bps	106 bps
BIIB 3.15 50	\$1,500	67.63	Baa2/BBB+	15.45	\$67.63	5.492%	111 bps	175 bps	108 bps	108 bps
Bristol Myers										
BMJ 5.9 33	\$1,000	106.72	A2/A	7.26	\$106.72	5.006%	86 bps	121 bps	84 bps	86 bps
BMJ 3.55 42	\$1,250	79.75	A2/A	12.35	\$79.75	5.301%	81 bps	146 bps	85 bps	87 bps
BMJ 6.25 53	\$1,250	111.72	A2/A	14.03	\$111.72	5.444%	107 bps	172 bps	107 bps	107 bps
BMJ 6.4 63	\$1,250	113.35	A2/A	15.39	\$113.35	5.560%	118 bps	196 bps	120 bps	120 bps
Gilead Sciences Inc.										
GILD 5.25 33	\$1,000	102.88	A3/BBB+	7.31	\$102.88	4.867%	72 bps	107 bps	70 bps	72 bps
GILD 5.55 53	\$1,000	105.31	A3/BBB+	14.49	\$105.31	5.194%	81 bps	147 bps	82 bps	82 bps
GSK PLC										
GSK 3.375 29	\$1,000	95.23	A2/A	4.80	\$95.23	4.384%	32 bps	58 bps	30 bps	31 bps
GSK 4.2 43	\$500	89.88	A2/A	12.46	\$89.88	5.029%	54 bps	119 bps	56 bps	56 bps
Johnson & Johnson										
JNJ 3.55 36	\$1,000	90.06	Aaa/AAA	9.44	\$90.06	4.631%	48 bps	81 bps	39 bps	40 bps
JNJ 3.75 47	\$1,000	84.06	Aaa/AAA	14.29	\$84.06	4.911%	42 bps	112 bps	44 bps	46 bps
JNJ 3.5 48	\$750	80.56	Aaa/AAA	15.06	\$80.56	4.885%	51 bps	111 bps	43 bps	45 bps
Eli Lilly										
LLY 4.7 33	\$1,000	100.73	A1/A+	7.05	\$100.73	4.598%	45 bps	81 bps	43 bps	46 bps
LLY 4.875 53	\$1,250	99.59	A1/A+	15.13	\$99.59	4.902%	52 bps	119 bps	51 bps	53 bps
Merck										
MRK 4.5 33	\$1,500	98.44	A1/A+	7.46	\$98.44	4.708%	56 bps	92 bps	55 bps	57 bps
MRK 5 53	\$1,500	98.50	A1/A+	15.05	\$98.50	5.099%	72 bps	139 bps	72 bps	73 bps
MRK 5.15 63	\$1,000	99.82	A1/A+	16.62	\$99.82	5.160%	78 bps	159 bps	79 bps	80 bps
Merck KGaA										
MRKGR 3.25 25	\$1,600	97.50	A3/A	1.10	\$97.50	5.504%	112 bps	82 bps	86 bps	77 bps
Novartis										
NOVNVX 2.2 30	\$1,500	87.18	A1/AA-/AA-u	5.91	\$87.18	4.478%	42 bps	70 bps	38 bps	37 bps
NOVNVX 2.75 50	\$1,250	68.38	A1/AA-/AA-u	16.47	\$68.38	4.889%	51 bps	116 bps	47 bps	48 bps
Pfizer										
PFE 4.75 33	\$5,000	98.63	A2/A/Au	7.38	\$98.63	4.935%	79 bps	114 bps	77 bps	79 bps
PFE 5.3 53	\$6,000	99.63	A2/A/Au	14.64	\$99.63	5.325%	95 bps	161 bps	94 bps	96 bps
Roche Holdings										
ROSW 5.593 33	\$1,600	105.54	Aa2/AA/AA	7.34	\$105.54	4.860%	71 bps	106 bps	70 bps	71 bps
ROSW 2.607 51	\$2,000	64.08	Aa2/AA/AA	17.17	\$64.08	5.012%	63 bps	131 bps	62 bps	62 bps
Royalty Pharma										
RPRX 2.15 31	\$600	80.63	Baa3/BBB-/BBB-	6.73	\$80.63	5.274%	113 bps	150 bps	115 bps	115 bps
RPRX 3.35 51	\$700	66.00	Baa3/BBB-/BBB-	15.06	\$66.00	5.846%	147 bps	212 bps	145 bps	145 bps
Viatis										
VTRS 2.7 30	\$1,450	84.91	Baa3/BBB-/BBB	5.71	\$84.91	5.527%	146 bps	174 bps	143 bps	143 bps
VTRS 5.2 48	\$750	82.25	Baa3/BBB-/BBB	12.34	\$82.25	6.689%	231 bps	290 bps	226 bps	226 bps
Zoetis Inc										
ZTS 2 30	\$750	85.22	Baa1/BBB	5.76	\$85.22	4.736%	67 bps	95 bps	65 bps	64 bps
ZTS 3 50	\$500	69.56	Baa1/BBB	16.02	\$69.56	5.118%	74 bps	138 bps	70 bps	71 bps

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

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Exhibit 6: 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
Laboratory Corp										
LH 2.95 29	\$650	89.55	Baa2/BBB	5.23	\$89.55	5.032%	97 bps	124 bps	95 bps	95 bps
LH 4.7 45	\$900	90.72	Baa2/BBB	12.51	\$90.72	5.447%	96 bps	163 bps	96 bps	97 bps
Quest Diagnostics										
DGX 6.4 33	\$750	108.96	Baa2/BBB+/BBB	7.15	\$108.96	5.202%	105 bps	140 bps	104 bps	106 bps
DGX 4.7 45	\$300	89.34	Baa2/BBB+/BBB	12.60	\$89.34	5.562%	107 bps	174 bps	108 bps	109 bps

Source: Company reports, Bloomberg.

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Exhibit 7: 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
Cigna										
CI 1.25 26	\$800	92.49	Baa1/A-/BBB+	2.06	\$92.49	4.986%	60 bps	82 bps	67 bps	64 bps
CI 5.4 33	\$800	102.51	Baa1/A-/BBB+	6.90	\$102.51	5.046%	90 bps	125 bps	89 bps	91 bps
CI 3.4 51	\$1,500	71.52	Baa1/A-/BBB+	15.38	\$71.52	5.414%	104 bps	169 bps	101 bps	102 bps
CVS										
CVS 5.25 33	\$1,750	100.31	Baa2/BBB	6.85	\$100.31	5.206%	106 bps	141 bps	104 bps	107 bps
CVS 5.625 53	\$1,250	98.63	Baa2/BBB	13.80	\$98.63	5.722%	134 bps	200 bps	134 bps	135 bps
Elevance Health										
ELV 4.75 33	\$1,000	98.44	Baa2/A/BBB	7.12	\$98.44	4.966%	82 bps	117 bps	80 bps	83 bps
ELV 5.125 53	\$1,100	96.81	Baa2/A/BBB	14.46	\$96.81	5.342%	96 bps	162 bps	96 bps	97 bps
Humana										
HUM 5.95 34	\$850	105.44	Baa2/BBB+/BBB	7.40	\$105.44	5.239%	109 bps	144 bps	107 bps	109 bps
HUM 5.5 53	\$750	100.13	Baa2/BBB+/BBB	14.08	\$100.13	5.491%	111 bps	176 bps	111 bps	111 bps
UnitedHealth										
UNH 4.25 29	\$1,250	98.67	A2/A+/A	4.43	\$98.67	4.552%	49 bps	73 bps	48 bps	49 bps
UNH 4.5 33	\$1,500	97.56	A2/A+/A	7.36	\$97.56	4.830%	68 bps	104 bps	67 bps	69 bps
UNH 5.05 53	\$2,000	97.26	A2/A+/A	14.79	\$97.26	5.233%	85 bps	152 bps	85 bps	86 bps
UNH 5.2 63	\$1,750	98.12	A2/A+/A	16.24	\$98.12	5.314%	94 bps	174 bps	95 bps	95 bps

Source: Company reports, Bloomberg.

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Exhibit 8: 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
Abbott Labs										
ABT 1.4 30	\$650	83.04	Aa3/AA-	6.00	\$83.04	4.461%	40 bps	68 bps	37 bps	36 bps
ABT 4.9 46	\$3,250	99.00	Aa3/AA-	13.51	\$99.00	4.973%	48 bps	118 bps	50 bps	52 bps
Agilent Technologies										
A 3.05 26	\$300	95.60	Baa1/BBB+/BBB+	2.49	\$95.60	4.830%	45 bps	78 bps	59 bps	60 bps
A 2.75 29	\$500	90.36	Baa1/BBB+/BBB+	5.07	\$90.36	4.714%	65 bps	92 bps	63 bps	63 bps
A 2.3 31	\$850	84.86	Baa1/BBB+/BBB+	6.35	\$84.86	4.833%	68 bps	106 bps	72 bps	72 bps
Alcon										
ALCSW 2.6 30	\$750	86.60	Baa2/BBB+	5.68	\$86.60	5.097%	104 bps	131 bps	100 bps	100 bps
ALCSW 3.8 49	\$500	78.01	Baa2/BBB+	14.66	\$78.01	5.392%	101 bps	164 bps	97 bps	98 bps
Baxter										
BAX 3.132 51	\$750	66.25	Baa2/BBB/BBB-	15.90	\$66.25	5.518%	114 bps	180 bps	113 bps	113 bps
BAX 2.539 32	\$1,540	82.94	Baa2/BBB/BBB-	6.94	\$82.94	5.164%	102 bps	138 bps	103 bps	104 bps
Becton Dickinson										
BDX 1.957 31	\$1,000	82.19	Baa2/BBB/BBB	6.34	\$82.19	4.984%	84 bps	121 bps	87 bps	87 bps
BDX 3.794 50	\$560	77.81	Baa2/BBB/BBB	14.96	\$77.81	5.379%	100 bps	164 bps	96 bps	97 bps
Boston Scientific										
BSX 1.9 25	\$500	95.87	Baa1/BBB+/BBB+	1.31	\$95.87	5.092%	71 bps	53 bps	51 bps	45 bps
BSX 2.65 30	\$1,200	88.42	Baa1/BBB+/BBB+	5.69	\$88.42	4.783%	72 bps	100 bps	69 bps	68 bps
BSX 4.55 39	\$450	93.88	Baa1/BBB+/BBB+	10.46	\$93.88	5.137%	99 bps	129 bps	80 bps	81 bps
BSX 4.7 49	\$650	90.75	Baa1/BBB+/BBB+	13.80	\$90.75	5.375%	100 bps	161 bps	94 bps	95 bps
Danaher										
DHR 2.6 29	\$800	89.66	A3/A-	5.25	\$89.66	4.651%	59 bps	86 bps	57 bps	57 bps
DHR 3.25 39	\$900	81.13	A3/A-	11.66	\$81.13	4.990%	84 bps	115 bps	62 bps	64 bps
DHR 3.4 49	\$900	75.50	A3/A-	15.42	\$75.50	5.121%	74 bps	137 bps	69 bps	71 bps
Medtronic										
MDT 4.5 33	\$1,000	98.31	A3/A	7.33	\$98.31	4.728%	58 bps	94 bps	57 bps	59 bps
MDT 4.625 45	\$1,813	95.13	A3/A	12.95	\$95.13	5.001%	51 bps	118 bps	53 bps	53 bps
Stryker										
SYK 1.15 25	\$650	94.80	Baa1/BBB+	1.35	\$94.80	5.060%	68 bps	53 bps	50 bps	43 bps
SYK 1.95 30	\$1,000	84.75	Baa1/BBB+	5.85	\$84.75	4.741%	68 bps	96 bps	65 bps	64 bps
SYK 2.9 50	\$650	68.69	Baa1/BBB+	16.27	\$68.69	5.063%	68 bps	133 bps	64 bps	66 bps
Thermo Fisher Scientific										
TMO 5.2 34	\$500	103.13	A3/A-/A-	7.59	\$103.13	4.794%	65 bps	100 bps	63 bps	65 bps
TMO 4.1 47	\$750	85.75	A3/A-/A-	13.94	\$85.75	5.151%	66 bps	137 bps	69 bps	71 bps
Zimmer Holdings										
ZBH 3.05 26	\$600	96.50	Baa2/BBB/BBB	1.89	\$96.50	4.929%	54 bps	68 bps	55 bps	55 bps
ZBH 3.55 30	\$258	90.61	Baa2/BBB/BBB	5.33	\$90.61	5.359%	130 bps	157 bps	126 bps	127 bps
ZBH 4.45 45	\$395	87.40	Baa2/BBB/BBB	12.86	\$87.40	5.450%	96 bps	164 bps	97 bps	98 bps

Source: Company reports, Bloomberg.

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Exhibit 9: 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
Cencora										
COR 2.7 31	\$1,000	86.23	Baa2/BBB+/A-	6.26	\$86.23	5.017%	87 bps	124 bps	90 bps	90 bps
COR 4.3 47	\$500	86.91	Baa2/BBB+/A-	14.03	\$86.91	5.270%	78 bps	149 bps	82 bps	83 bps
Cardinal Health										
CAH 3.41 27	\$1,222	95.59	Baa2/BBB/BBB	3.14	\$95.59	4.834%	67 bps	91 bps	68 bps	69 bps
McKesson										
MCK 4.75 29	\$196	99.58	Baa1/BBB+/A-	4.64	\$99.58	4.839%	78 bps	103 bps	73 bps	77 bps
MCK 4.883 44	\$255	89.38	Baa1/BBB+/A-	12.01	\$89.38	5.782%	129 bps	195 bps	129 bps	130 bps

Source: Company reports, Bloomberg.

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