

BofA IG Healthcare Weekly

Vital Signs

Industry Overview

Healthcare highlights: BMY, AZN, LLY, JNJ, AMGN

Bristol Myers announced the acquisition of RayzeBio, Inc. for \$3.6 billion. The deal will be funded with primarily new debt and is expected to close in the first half of 2024. RayzeBio is a clinical-stage radiopharmaceutical therapeutics company with current pipeline programs targeting the treatment of solid tumors, including gastroenteropancreatic neuroendocrine tumors (GEP-NETs), small cell lung cancer, hepatocellular carcinoma and other cancers. S&P downgraded Bristol Myers to A from A+ with a stable outlook. AstraZeneca announced the acquisition of Gracell Biotechnologies Inc. for \$1.0 billion upfront. The deal contributes to AstraZeneca's growing pipeline of cell therapies, with GC012F accelerating the strategy in haematology. Eli Lilly completed the acquisition of POINT Biopharma Global Inc. for \$1.4 billion. Johnson & Johnson signed a licensing deal with LegoChem Biosciences for their drug candidate, LCB84. Johnson & Johnson will pay \$100 million upfront, with up to \$1.7 billion in total consideration from an option exercise payment, milestones, and tiered royalties on net sales. LCB84 is a Trop2 directed antibody drug conjugate (ADC). Amgen also struck a multi-target research collaboration and licensing agreement with LegoChem Biosciences. The agreement grants Amgen the rights to research, develop, and commercialize ADCs directed against up to five targets selected by Amgen based on LCB's proprietary ConjuAll ADC technology. The total consideration is up to \$1.25 billion from upfront and milestone payments, and tiered royalties on sales.

Healthcare outperformed the IG Index last week

The ICE BofA IG Healthcare index outperformed the ICE BofA IG index, at 0.63% versus 0.55% on a total-return basis. Managed Care led other subsectors, with a total return of 0.76%. In Europe, Healthcare performed in line with the ICE BofA EMU index, at 0.27%.

Healthcare underperformed on total return in 2023

In 2023, IG Healthcare has underperformed the ICE BofA IG index, at a total return of 8.14% versus 8.63%, and on an excess-return basis, IG Healthcare has underperformed, at 421 bps versus the index at 465 bps. IG Healthcare OAS was +83 bps versus the US Corp index at +104 bps. On a total-return basis in 2023, Healthcare Facilities performed the best within the IG Healthcare subsectors, at 9.48%; Medical Products ranked second, at 8.38%; Pharmaceuticals was the biggest laggard, at 7.75%.

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Andrew Kaplan
Research Analyst
BofAS
+1 646 855 8748
andrew.kaplan@bofa.com

Vritika Patni
Research Analyst
BofAS
+1 646 855 7042
vritika.patni@bofa.com

Abbreviations

BMY	Bristol Myers
AZN	AstraZeneca
LLY	Eli Lilly
JNJ	Johnson & Johnson
AMGN	Amgen
IG	Investment Grade
OAS	Option-adjusted spread

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Returns Summary

Table 1: Healthcare & Corporate Indices Returns Summary

The ICE BofA IG Healthcare index outperformed the ICE BofA IG index, at 0.63% versus 0.55% 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	0.55%	4.27%	8.14%	8.63%	8.88%	15 bps	30 bps	175 bps	465 bps	476 bps
Healthcare Index	0.63%	4.88%	9.01%	8.14%	8.42%	13 bps	-10 bps	129 bps	421 bps	426 bps
Pharmaceuticals	0.54%	4.55%	8.69%	7.75%	7.97%	3 bps	-44 bps	98 bps	388 bps	389 bps
Medical Products	0.69%	4.76%	8.50%	8.38%	8.71%	24 bps	32 bps	146 bps	405 bps	423 bps
Managed Care	0.76%	5.10%	9.54%	8.21%	8.51%	26 bps	4 bps	170 bps	428 bps	436 bps
Healthcare Services	0.67%	4.42%	8.64%	7.95%	8.17%	25 bps	23 bps	198 bps	394 bps	402 bps
Healthcare Facilities	0.74%	6.45%	10.34%	9.48%	9.90%	15 bps	46 bps	124 bps	574 bps	581 bps
Sterling Corporate Securities Index	0.34%	5.23%	8.76%	10.13%	10.29%	4 bps	59 bps	188 bps	566 bps	572 bps
Sterling Healthcare	0.32%	6.57%	10.74%	9.48%	9.59%	1 bps	59 bps	217 bps	443 bps	447 bps
EMU Corp	0.27%	3.02%	5.82%	8.29%	8.36%	-1 bps	52 bps	122 bps	362 bps	366 bps
Euro Healthcare	0.27%	3.55%	6.34%	7.67%	7.74%	-2 bps	51 bps	88 bps	259 bps	264 bps

Source: ICE Data Indices, LLC

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Table 2: Healthcare Index Statistics

IG Healthcare OAS was +83 bps versus the US Corp index at +104bps.

	Rating	# of Issues	% of Index	Avg Issue Size	Yield to Worst	OAS	Effective Duration	Spread Duration
US Corp Master	A3	10174	100.00%	810	5.17%	104 bps	6.8	6.9
Healthcare Index	A3	858	9.53%	916	4.91%	83 bps	8.5	8.4
Pharmaceuticals	A2	316	4.74%	1236	4.82%	75 bps	8.5	8.4
Medical Products	BBB1	115	1.03%	739	4.85%	81 bps	7.6	7.5
Managed Care	A3	151	1.73%	947	4.92%	84 bps	8.6	8.6
Healthcare Services	BBB2	70	0.90%	1054	5.06%	97 bps	7.1	7.1
Healthcare Facilities	A3	206	1.13%	453	5.21%	111 bps	10.3	10.3
Sterling Corporate Securities Index	A3	966	100.00%	411	5.13%	134 bps	6.4	6.5
Sterling Healthcare	A2	15	2.08%	550	4.30%	59 bps	8.5	8.4
EMU Corp	A3	4206	100.00%	693	3.56%	136 bps	4.5	4.7
Euro Healthcare	A3	211	5.30%	732	3.20%	110 bps	5.5	5.5

Source: ICE Data Indices, LLC

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2024 Debt Maturities

Exhibit 1: 2024 Debt Maturities

\$59.9 bn 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	\$996
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	\$664
Novartis AG	3.400%	5/6/2024	\$2,150
AstraZeneca PLC	0.750%	5/12/2024	\$996
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	\$830
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	\$1,604
Johnson & Johnson	0.650%	5/20/2024	\$830
Amgen Inc	3.625%	5/22/2024	\$1,400
Eli Lilly & Co	0.150%	5/24/2024	\$710
AstraZeneca PLC	0.700%	5/28/2024	\$1,600
AbbVie Inc	1.250%	6/1/2024	\$774
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	\$830
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	\$1,106
Roche Holding AG	0.100%	9/23/2024	\$888
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	\$553
Johnson & Johnson	5.500%	11/6/2024	\$637
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	\$553
Abbott Laboratories	0.100%	11/19/2024	\$653
AbbVie Inc	2.600%	11/21/2024	\$3,750
Viatis Inc	2.250%	11/22/2024	\$1,106
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

Exhibit 1: 2024 Debt Maturities
\$59.9 bn of bonds mature in 2024.

Company	Coupon	Maturity	Amount Outstanding USD
Laboratory Corp of America	2.300%	12/1/2024	\$400
GSK PLC	1.375%	12/2/2024	\$1,106
Stryker Corp	0.250%	12/3/2024	\$940
Becton Dickinson & Co	3.734%	12/15/2024	\$875
Total			\$59,941

Source: Bloomberg, company data

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Exhibit 2: 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	93.61	A3/A-	5.25	\$93.61	4.445%	57 bps	90 bps	55 bps	56 bps
ABBV 4.05 39	\$4,000	90.85	A3/A-	11.30	\$90.85	4.884%	69 bps	135 bps	80 bps	82 bps
ABBV 4.25 49	\$5,745	89.72	A3/A-	14.89	\$89.72	4.959%	91 bps	152 bps	85 bps	86 bps
Amgen Inc.										
AMGN 5.25 33	\$4,250	102.88	Baa1/BBB+/BBB	6.97	\$102.88	4.848%	96 bps	133 bps	94 bps	96 bps
AMGN 5.65 53	\$4,250	105.96	Baa1/BBB+/BBB	14.27	\$105.96	5.245%	119 bps	183 bps	118 bps	119 bps
AstraZeneca										
AZN 4.875 33	\$500	103.44	A2/A/A-	7.10	\$103.44	4.404%	52 bps	89 bps	50 bps	52 bps
AZN 3 51	\$750	75.56	A2/A/A-	16.95	\$75.56	4.573%	52 bps	118 bps	49 bps	50 bps
Biogen Inc.										
BIIB 2.25 30	\$1,500	85.38	Baa2/BBB+	5.72	\$85.38	4.972%	109 bps	144 bps	109 bps	108 bps
BIIB 3.15 50	\$1,500	70.63	Baa2/BBB+	15.77	\$70.63	5.213%	116 bps	180 bps	112 bps	112 bps
Bristol Myers										
BMJ 5.9 33	\$1,000	109.19	A2 *-/A	7.35	\$109.19	4.701%	82 bps	118 bps	80 bps	82 bps
BMJ 3.55 42	\$1,250	82.38	A2 *-/A	12.52	\$82.38	5.040%	85 bps	151 bps	89 bps	90 bps
BMJ 6.25 53	\$1,250	115.44	A2 *-/A	14.32	\$115.44	5.216%	117 bps	181 bps	116 bps	117 bps
BMJ 6.4 63	\$1,250	117.13	A2 *-/A	15.77	\$117.13	5.352%	130 bps	207 bps	131 bps	132 bps
Gilead Sciences Inc.										
GILD 5.25 33	\$1,000	104.44	A3/BBB+	7.38	\$104.44	4.667%	78 bps	115 bps	76 bps	78 bps
GILD 5.55 53	\$1,000	107.93	A3/BBB+	14.72	\$107.93	5.029%	98 bps	163 bps	98 bps	99 bps
GSK PLC										
GSK 3.375 29	\$1,000	96.19	A2/A	4.86	\$96.19	4.168%	30 bps	60 bps	27 bps	29 bps
GSK 4.2 43	\$500	93.63	A2/A	12.68	\$93.63	4.707%	52 bps	118 bps	54 bps	54 bps
Johnson & Johnson										
JNJ 3.55 36	\$1,000	92.38	Aaa/AAA	9.54	\$92.38	4.364%	48 bps	84 bps	39 bps	41 bps
JNJ 3.75 47	\$1,000	88.63	Aaa/AAA	14.61	\$88.63	4.549%	50 bps	108 bps	39 bps	41 bps
JNJ 3.5 48	\$750	84.75	Aaa/AAA	15.06	\$84.75	4.550%	50 bps	110 bps	40 bps	42 bps
Eli Lilly										
LLY 4.7 33	\$1,000	102.81	A1/A+	7.13	\$102.81	4.316%	43 bps	80 bps	41 bps	43 bps
LLY 4.875 53	\$1,250	103.94	A1/A+	15.37	\$103.94	4.625%	57 bps	123 bps	56 bps	57 bps
Merck										
MRK 4.5 33	\$1,500	100.94	A1/A+	7.39	\$100.94	4.374%	49 bps	86 bps	46 bps	49 bps
MRK 5 53	\$1,500	103.81	A1/A+	15.36	\$103.81	4.755%	70 bps	136 bps	70 bps	71 bps
MRK 5.15 63	\$1,000	104.52	A1/A+	17.06	\$104.52	4.889%	84 bps	164 bps	85 bps	85 bps
Merck KGaA										
MRKGR 3.25 25	\$1,600	97.62	A3/A	1.16	\$97.62	5.302%	96 bps	71 bps	71 bps	61 bps
Novartis										
NOVNVX 2.2 30	\$1,500	88.13	A1/AA-/AA-u	5.97	\$88.13	4.280%	40 bps	76 bps	39 bps	39 bps
NOVNVX 2.75 50	\$1,250	72.81	A1/AA-/AA-u	16.89	\$72.81	4.516%	46 bps	111 bps	42 bps	43 bps
Pfizer										
PFE 4.75 33	\$5,000	100.42	A2/A/Au	7.30	\$100.42	4.692%	81 bps	117 bps	78 bps	81 bps
PFE 5.3 53	\$6,000	103.13	A2/A/Au	14.83	\$103.13	5.091%	104 bps	169 bps	103 bps	104 bps
Roche Holdings										
ROSW 5.593 33	\$1,600	107.94	Aa2/AA/AA	7.43	\$107.94	4.563%	68 bps	104 bps	66 bps	68 bps
ROSW 2.607 51	\$2,000	67.87	Aa2/AA/AA	17.58	\$67.87	4.679%	63 bps	130 bps	61 bps	61 bps
Royalty Pharma										
RPRX 2.15 31	\$600	81.75	Baa3/BBB-/BBB-	6.80	\$81.75	5.051%	117 bps	154 bps	116 bps	116 bps
RPRX 3.35 51	\$700	68.38	Baa3/BBB-/BBB-	15.36	\$68.38	5.615%	156 bps	221 bps	155 bps	155 bps
Viatis										
VTRS 2.7 30	\$1,450	84.31	Baa3/BBB-/BBB	5.76	\$84.31	5.626%	174 bps	210 bps	174 bps	174 bps
VTRS 5.2 48	\$750	82.25	Baa3/BBB-/BBB	12.39	\$82.25	6.687%	264 bps	321 bps	257 bps	257 bps
Zoetis Inc										
ZTS 2 30	\$750	86.06	Baa1/BBB	5.82	\$86.06	4.545%	66 bps	102 bps	67 bps	66 bps
ZTS 3 50	\$500	72.38	Baa1/BBB	16.31	\$72.38	4.872%	82 bps	146 bps	77 bps	78 bps

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

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Exhibit 3: 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	90.16	Baa2/BBB	5.29	\$90.16	4.886%	102 bps	134 bps	100 bps	100 bps
LH 4.7 45	\$900	93.06	Baa2/BBB	12.69	\$93.06	5.248%	106 bps	174 bps	106 bps	108 bps
Quest Diagnostics										
DGX 6.4 33	\$750	110.90	Baa2/BBB+/BBB	7.23	\$110.90	4.964%	108 bps	144 bps	106 bps	108 bps
DGX 4.7 45	\$300	91.93	Baa2/BBB+/BBB	12.79	\$91.93	5.340%	115 bps	184 bps	116 bps	117 bps

Source: Company reports, Bloomberg.

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Exhibit 4: 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	92.37	Baa1/A-/BBB+	2.12	\$92.37	4.955%	91 bps	92 bps	73 bps	71 bps
CI 5.4 33	\$800	103.79	Baa1/A-/BBB+	6.97	\$103.79	4.873%	99 bps	135 bps	96 bps	99 bps
CI 3.4 51	\$1,500	74.75	Baa1/A-/BBB+	15.72	\$74.75	5.132%	108 bps	173 bps	105 bps	106 bps
CVS										
CVS 5.25 33	\$1,750	102.31	Baa2/BBB	6.93	\$102.31	4.925%	104 bps	140 bps	101 bps	104 bps
CVS 5.625 53	\$1,250	102.63	Baa2/BBB	14.05	\$102.63	5.443%	139 bps	203 bps	138 bps	139 bps
Elevance Health										
ELV 4.75 33	\$1,000	100.06	Baa2/A/BBB	7.20	\$100.06	4.741%	86 bps	122 bps	83 bps	85 bps
ELV 5.125 53	\$1,100	99.94	Baa2/A/BBB	14.75	\$99.94	5.129%	108 bps	173 bps	106 bps	108 bps
Humana										
HUM 5.95 34	\$850	107.38	Baa2/BBB+/BBB	7.49	\$107.38	5.001%	112 bps	148 bps	110 bps	111 bps
HUM 5.5 53	\$750	104.25	Baa2/BBB+/BBB	14.42	\$104.25	5.212%	116 bps	180 bps	115 bps	116 bps
UnitedHealth										
UNH 4.25 29	\$1,250	99.91	A2/A+/A	4.40	\$99.91	4.270%	40 bps	68 bps	38 bps	40 bps
UNH 4.5 33	\$1,500	99.63	A2/A+/A	7.44	\$99.63	4.549%	67 bps	103 bps	64 bps	66 bps
UNH 5.05 53	\$2,000	101.08	A2/A+/A	15.00	\$101.08	4.979%	93 bps	158 bps	92 bps	93 bps
UNH 5.2 63	\$1,750	103.06	A2/A+/A	16.72	\$103.06	5.019%	97 bps	176 bps	98 bps	99 bps

Source: Company reports, Bloomberg.

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Exhibit 5: 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	84.69	Aa3/AA-	6.07	\$84.69	4.112%	23 bps	59 bps	23 bps	22 bps
ABT 4.9 46	\$3,250	103.12	Aa3/AA-	13.60	\$103.12	4.674%	48 bps	119 bps	51 bps	52 bps
Agilent Technologies										
A 3.05 26	\$300	95.72	Baa1/BBB+/BBB+	2.55	\$95.72	4.745%	70 bps	87 bps	62 bps	64 bps
A 2.75 29	\$500	91.74	Baa1/BBB+/BBB+	5.13	\$91.74	4.404%	53 bps	85 bps	52 bps	52 bps
A 2.3 31	\$850	87.02	Baa1/BBB+/BBB+	6.43	\$87.02	4.426%	54 bps	91 bps	54 bps	53 bps
Alcon										
ALCSW 2.6 30	\$750	86.98	Baa2/BBB+	5.73	\$86.98	5.003%	112 bps	147 bps	112 bps	111 bps
ALCSW 3.8 49	\$500	81.41	Baa2/BBB+	14.97	\$81.41	5.106%	105 bps	167 bps	100 bps	101 bps
Baxter										
BAX 3.132 51	\$750	69.00	Baa2/BBB/BBB *-	16.22	\$69.00	5.263%	121 bps	187 bps	120 bps	120 bps
BAX 2.539 32	\$1,540	83.88	Baa2/BBB/BBB *-	7.00	\$83.88	4.989%	110 bps	148 bps	110 bps	110 bps
Becton Dickinson										
BDX 1.957 31	\$1,000	83.56	Baa2/BBB/BBB	6.41	\$83.56	4.705%	82 bps	119 bps	81 bps	81 bps
BDX 3.794 50	\$560	82.11	Baa2/BBB/BBB	15.35	\$82.11	5.025%	97 bps	160 bps	93 bps	94 bps
Boston Scientific										
BSX 1.9 25	\$500	95.75	Baa1/BBB+/BBB+	1.36	\$95.75	5.059%	72 bps	59 bps	55 bps	47 bps
BSX 2.65 30	\$1,200	89.31	Baa1/BBB+/BBB+	5.76	\$89.31	4.593%	71 bps	106 bps	71 bps	70 bps
BSX 4.55 39	\$450	95.19	Baa1/BBB+/BBB+	10.56	\$95.19	5.006%	81 bps	146 bps	95 bps	96 bps
BSX 4.7 49	\$650	96.06	Baa1/BBB+/BBB+	14.20	\$96.06	4.976%	92 bps	153 bps	85 bps	87 bps
Danaher										
DHR 2.6 29	\$800	90.66	A3/A-	5.32	\$90.66	4.424%	55 bps	88 bps	54 bps	54 bps
DHR 3.25 39	\$900	82.88	A3/A-	11.78	\$82.88	4.804%	61 bps	127 bps	72 bps	74 bps
DHR 3.4 49	\$900	79.25	A3/A-	15.76	\$79.25	4.810%	76 bps	139 bps	70 bps	71 bps
Medtronic										
MDT 4.5 33	\$1,000	100.06	A3/A	7.41	\$100.06	4.491%	61 bps	97 bps	58 bps	60 bps
MDT 4.625 45	\$1,813	97.69	A3/A	13.13	\$97.69	4.800%	61 bps	130 bps	63 bps	63 bps
Stryker										
SYK 1.15 25	\$650	94.68	Baa1/BBB+	1.41	\$94.68	4.997%	66 bps	56 bps	50 bps	43 bps
SYK 1.95 30	\$1,000	85.56	Baa1/BBB+	5.91	\$85.56	4.559%	67 bps	103 bps	68 bps	67 bps
SYK 2.9 50	\$650	72.13	Baa1/BBB+	16.61	\$72.13	4.765%	71 bps	136 bps	67 bps	68 bps
Thermo Fisher Scientific										
TMO 5.2 34	\$500	104.81	A3/A-/A-	7.67	\$104.81	4.585%	70 bps	106 bps	68 bps	70 bps
TMO 4.1 47	\$750	89.69	A3/A-/A-	14.24	\$89.69	4.837%	79 bps	137 bps	69 bps	70 bps
Zimmer Holdings										
ZBH 3.05 26	\$600	96.33	Baa2/BBB/BBB	1.91	\$96.33	4.972%	92 bps	85 bps	68 bps	68 bps
ZBH 3.55 30	\$258	91.20	Baa2/BBB/BBB	5.40	\$91.20	5.225%	134 bps	168 bps	133 bps	134 bps
ZBH 4.45 45	\$395	89.62	Baa2/BBB/BBB	13.04	\$89.62	5.259%	107 bps	176 bps	108 bps	110 bps

Source: Company reports, Bloomberg.

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Exhibit 6: 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	87.97	Baa2/BBB+/A-	6.33	\$87.97	4.688%	80 bps	117 bps	80 bps	79 bps
COR 4.3 47	\$500	90.36	Baa2/BBB+/A-	14.29	\$90.36	4.995%	94 bps	153 bps	85 bps	87 bps
Cardinal Health										
CAH 3.41 27	\$1,222	95.70	Baa2/BBB/BBB	3.20	\$95.70	4.776%	91 bps	105 bps	76 bps	77 bps
McKesson										
MCK 4.75 29	\$196	100.47	Baa1/BBB+/A-	4.51	\$100.47	4.646%	78 bps	106 bps	72 bps	77 bps
MCK 4.883 44	\$255	91.35	Baa1/BBB+/A-	12.16	\$91.35	5.603%	141 bps	208 bps	141 bps	142 bps

Source: Company reports, Bloomberg.

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