European Credit Research

Coronavirus: spread fears

Credit Analysis

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Credit
Europe

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Valuations reset

The on-going power of financial repression has created "froth" in credit market valuations lately. And it's been the crowded trades that have understandably felt the biggest pain as COVID-19 fears have spread. We view BBs as back to "fair value" and think duration still looks attractive. Conversely, we acknowledge that If the equity market fails to bounce, the "recession" narrative is likely to take over in credit. We think that risks another leg wider in cash bond spreads, with pronounced underperformance this time from CCCs and BBBs.

Banks – Standard Charted, Caixa and DB in focus

We are unconvinced by Standard Chartered here. The bonds trade tight, in our view and in any case too close to UK peers who do not have the bank's specific vulnerabilities. We highlight DB and Caixa bank as potential "snap back" candidates.

Insurance – Scor our favoured idea

Scor's 5.25% $749.8mn Restricted Tier 1 bond, on which we have an OW, has widened quite significantly in recent weeks. Given Scor's strong risk profile and limited exposure to the coronavirus, we believe spreads could tighten back to c. 300bp once the coronavirus risks abate. For investors seeking a defensive asset allocation, we would recommend Munich Re's 6.25% €900mn Tier 2 subordinated bond.

Corporate safety idea

Should coronavirus-related risks escalate, we prefer sectors such as Business Services, Real Estate, Telcos, Utilities vs. exposed sectors such as Airlines, Autos and Chemicals. We flag IG defensive longs in names such as BAT, Carrefour, Edenred, Gecina, Imperial Brands, Orange. In HY/hybrids we flag: OWs in Telecom Italia, Vodafone and SES. We favour UWs/shorts/see widening potential in K+S, Lufthansa, Valeo, Schaeffler and Daimler.

Corporates for risk rally

In the scenario that coronavirus risks quickly abate, we think a number of names could quickly snap-back; broadly speaking, we like BBs and duration. In HY/hybrid space we highlight Altice France Hold Co, Codere, Diversey and United Group PIKs. In IG we like VW in autos and we think Vodafone (long-dated) and BT could perform well within TMT.

Credit derivatives

We think that on the upside, we would strongly refrain from selling outright OTM payers, as that would be a painful trade if we get another leg of spread widening. We prefer to look for upside trades via receivers that guarantee a maximum downside risk of the initial premium. We would also pair them with equity call shorts as per our note here.

Related COVID-19 research

Conference call replay – Market contagion with infectious disease specialist, 26-Feb-20

European Airlines- Risks skewed to the downside for legacy airlines, 28-Feb-20

European Chemicals, Paper & Packaging, and Healthcare – Impacts from corona virus so far, 2-Mar-19

The Flow Show – Show Time, 27-Feb-20

Ethanomics - Rethinking the economic impact of the virus, 11-Feb-20

China Economic Watch - Slow return to work dims growth outlook further, 27-Feb-20

Equity Strategy – India and ASEAN – COVID-19 and Shifting Supply Chains, 24-Feb-20.

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Table 1: Summary of recommendations mentioned in the report

Sector	Company	Ticker	Highlighted Bond Recommendations	Highlighted CDS Recommendations
Airlines	Air France	AFFP	UW Senior bonds; MW '20 hybrid	
	Lufthansa	LHAGR	UW €'24s	
Autos	Daimler	DAIGR	UW	
	Faurecia	EOFP	MW	
	Jaguar Land Rover	TTMTIN	MW $ 3.5% '20, £ 2.75% '21, £ 5% '22 and $ 5.625% '23, £ 3.875% '23; UW € 2.2% '24, € 5.875% '24, € 4.5% '26, € 6.875 '26, $ 4.5% '27	Buy Protection
	Schaeffler	SHAEFF	MW OpCo Bonds	
	Valeo	FRFP	UW	Buy Protection
	Volkswagen	VW	OW 2.625% '24, 1.125% '24, 1.25% '24, 2.625% '25 senior bonds, 3.750%, 2.500%, 2.700%, 5.125% 3.375% hybrids	Neutral
Banks	Standard Chartered	STANLN	UW $7.014%, $5.2% T2	
	Caixabank	CABKSM	OW €1.375% SNP	
Business Services	Compass Group	CPGLN	OW 0.625% €'24s	
	Edenred	EDENFP	OW 1.875% €'27s	
	Sodexho	SWFP	UW 0.75% €'27s	
Chemicals	Diversey	DIVRSY	OW	
	K + S	SDFGR	UW	
	Solvay	SOLBBB	OW	
Consumer	BAT	BATSLN	OW	
	Codere	CODERE	MW	
	Cirsa	LHMCFI	OW Secured bonds	
	Imperial Brands	IMBLN	OW	
Insurance	Scor	SCOR	OW $5.25% RT1, €3.875%, €3.25%; UW €3% sub	
	Munich Re	MUNRE	MW 6.25% T2 Sub	
	Unipol	UNIIM	OW 3%	
Packaging	Smurfit Kappa	SKGID	OW	Sell Protection
Real Estate	Gecina	GFCFP	OW seniors 2027-2032 maturities	
Retail	Carrefour	CAFP	OW €22s	Sell Protection
Telecoms	Altice France	SFRFP	OW 5.875% €'27	
	Altice Luxembourg	ATCNA	OW 8% €'27s	
	BT	BRITEL	OW 1.5% €'27	
	Orange	ORAFP	OW 8.125% €'33s	
	SES Global	SESGFP	OW 5.625 NC €'24	
	Telecom Italia	TITIM	OW 2.75 €'25	
	United Group	ADRBID	OW 9 €'25	
	Vodafone	VOD	OW 6.25 NC $'24; €'31s, €'37s; hybrids except $7% NC '29	Sell Protection
Utilities	Electricitie de France	EDF	OW long end senior and hybrid bonds	
	Naturgy	NTGYSM	UW	

Source: BofA Global Research. Note: Bond recommendations Marketweight unless noted; OW - Overweight, MW - Marketweight, UW - Underweight

Credit Strategy – Infection control

Damage at the doors: From C.O.B. Feb 21st…Euro IG spreads are 26bp wider, Euro high-yield spreads are 107bp wider, single-Bs are 167bp wider, corporate hybrids are 57bp wider, and AT1s are 108bp wider. And with commodities down 5.5% on the week, pain has returned to the energy-related complex: note that US high-yield energy spreads are 230bp wider, and the "distressed ratio" has picked-up too: 11% of US high-yield bonds now trade above 1000bp – the highest since July '16. All in all it's been a fairly brutal week for corporate bond investors.

There was obvious "froth" in credit market valuations lately – a result of the on-going power of financial repression. And it's been the crowded trades that have understandably felt the biggest pain as COVID-19 fears have spread. BBs, in particular, have been hard hit, as have hybrid securities on both the financial and non-financial side. Yet, the credit market is not discounting economic recession, as the equity market is. Note that CCCs and BBBs – the typical credit market "canaries" – have been relatively *outperformers* over the last week.

Where then from here? Finding a bottom for corporate bonds will need two things, in our view:

- First, the equity market needs to bounce emphatically, spurred-on by a clear monetary and fiscal response by central banks and governments. Today's equity market response has been half-hearted, however.

- Second, Credit ETF prices need to also bounce (currently they are trading below Net Asset Value). This will help the broader market's bid for cash bonds to quickly return.

But one thing we remain sure of: the bond bull market will return with a vengeance if monetary policy is the antidote. The irony is that a 50bp Fed rate cut would take the world interest rate down to around 1.3% – almost back to the post-Lehman low – which would simply serve to exacerbate the thirst for yield in credit, we think.

What to buy?

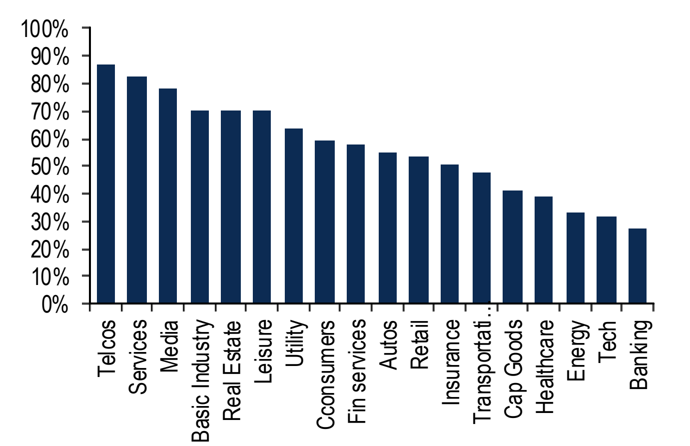
- BB spread percentiles have gone from 11% to just under 50% now so we think value in the sector looks "fair" again. We like credit duration too: it's the one part of the market that failed to rally in Jan-Feb, and should now be supported by record low inflation expectations in the Euro Area (5Y5Y forwards).

What to watch and worry about?

- If the equity market fails to bounce, the "recession" narrative will take over in credit. That risks another leg wider in cash bond spreads, we think, with pronounced underperformance this time from CCCs and BBBs. In particular, the *Fallen Angel* narrative could resurface again. Note in chart 1 the sectors with the greatest BBB percentage

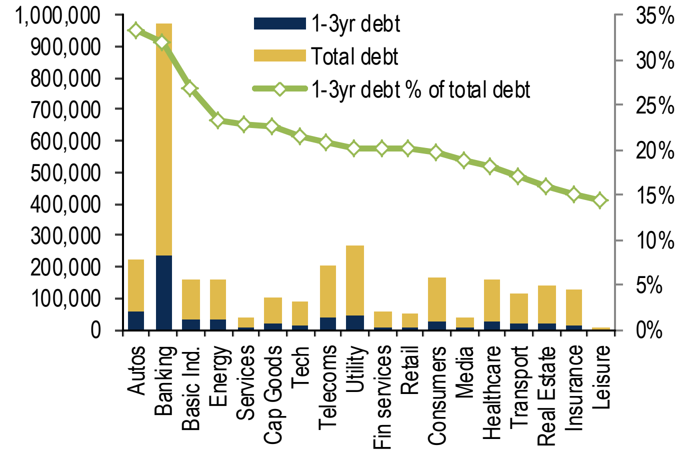
- If new issues fail to reappear soon (as issuers balk at paying hefty new issue premiums) then those sectors that have *termed-in* their debt lately, rather than *termed-out*, could be vulnerable. Chart 2 shows the worry: 12 out of the 18 high-grade sectors still have 20% or more of their fixed-rate debt in 1-3yr maturities.

Chart 1: BBB percentage across sectors. If recession fears linger then focus will likely return to those sectors towards the left



Source: BofA Global Research, Bloomberg, ICE Data Indices LLC. Share of BBBs in each IG sector.

Chart 2: 12 out of 18 European high-grade credit sectors have 20%+ of their debt in 1-3yr maturities. (Eur mn debt LHS).



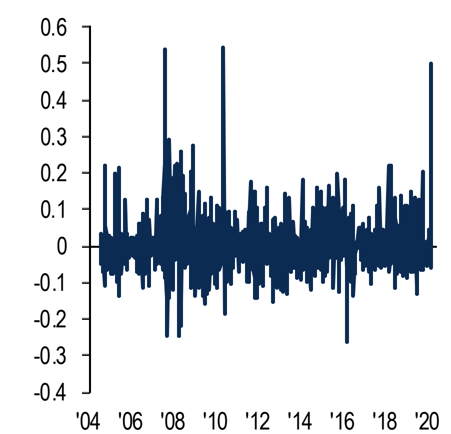
Source: BofA Global Research, Bloomberg.% of 1-3yr debt in total debt(RHS)

(*BM*)

Credit Derivatives

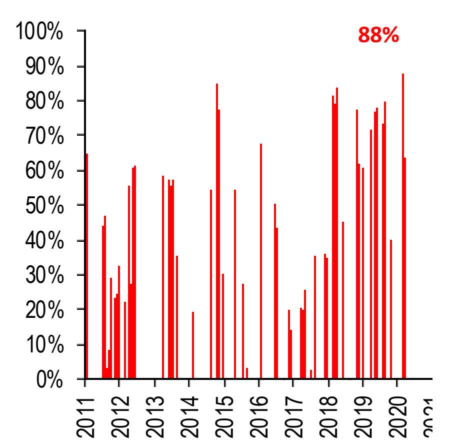
What a U-turn...From highly euphoric, to highly pessimistic. Risk assets across the globe have to digest a dimmer global growth outlook amid the virus outbreak. Credit markets have suffered a lot last week. The magnitude of the sell-off in the synthetics space was substantial. Note that iTraxx Main suffered the biggest shock since the May 2010 (Greece bailout).

Chart 3: CDS market - Largest sell-off since Greece bailout for iTraxx Main (May 2010)



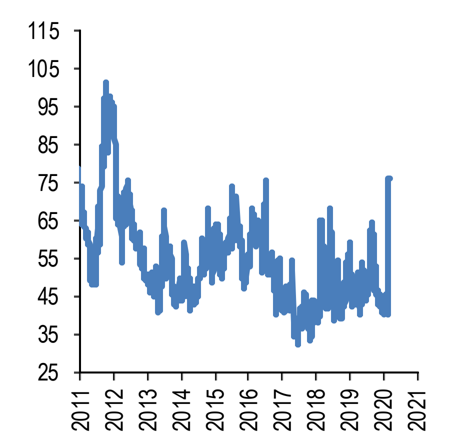
Source: Bloomberg, spread change over the past week in % terms

Chart 4: Fragility is rising to the highest levels we seen in a decade



Source: We measure 5-day moves for the 3m ATM vol vs. moves over the same 5-day period for the put-call skew (120-80% of the Fwd). We then calculate the 50-day rolling correlation between these two time series. We only present correlations when 5-day vol moves are higher than 5 vol points.

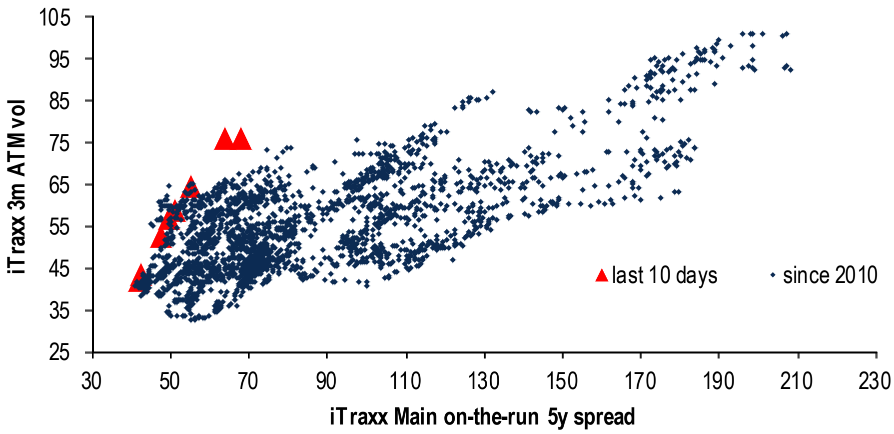
Chart 5: Implied vols sold-off materially last week to the highest levels since the European sovereign crisis



Source: BofA Global Research, Bloomberg

At this juncture, undoubtedly investors would be looking for downside but also upside trades. We think that on the upside, we would strongly refrain from selling outright OTM payers, as that would be a painful trade to own if we get another leg of spread widening. We think that while vols have sold-off materially, spreads look tight in relative terms (chart below).

Chart 6: Vols have underperformed materially vs. CDS spreads



Source: Bloomberg, iTraxx Main

While selling vol is not necessarily a bad idea and the downside/upside risk reward is more balanced, being long risk via short puts is very risky. **We prefer to look for upside trades via receivers that guarantee a maximum downside risk equal to the initial premium paid.** We could also pair them with equity call shorts as per our note here. We feel that credit has more upside than stocks amid the ECB put, and a less benign growth backdrop going forward.

Hedging ideas

The 60bp handle has been reached, and broken aggressively. In our year ahead, our view was that should the 60bp level is challenged and ultimately crossed; the next stop could be the 90bp level. Our 60-90bp payer spread (more here) is now in-the-money. For those that are looking for hedges, we would progressively move the payer spreads to the next range of 90-120bp. We think that at these levels it is likely that the implied vol skew will start to flatten (due to the high levels of the ATM vol) and thus owning payer spreads benefits from eventually flatter skews too.
(*IA*)

Financials

Banks

Still cautious on...

We are unconvinced by Standard Chartered here. 4Q earnings were already weak, in our view, even before the full effect of the coronavirus had really hit the region, with net profits down some 90% compared to the previous quarter. With expected declines in interest rates ahead, we consider revenue pressures are likely to intensify and impairments likely to increase. The bank has already abandoned its near terms earnings guidance and put back its ROTE targets. Indeed, the profits of the whole group depend on resilience from the Greater China & North Asia region; in turn, the high level of profitability of this region derives from the historically quite low loss experience of the segment. Our view is that this is likely to come under pressure from now on: although the China loan book is the largest by geography at $140bn, the stock of provisions is astonishingly low at only $360m, or 0.26% of the China loan book and less than half the level of e.g. 2015 on a much bigger China loan portfolio. Total provisions are $5bn but are allocated to other geographies. That means that profitability is particularly vulnerable to any stress in the China loan book, in our view.

Valuation

Standard Chartered trades tight, in our view and in any case too close to UK peers who do not have the bank's specific vulnerabilities. We'd avoid the bank's legacy perps (such as the $7.014% where we are Underweight) on high cash price; the banks' outstanding

AT1s trade inside other comparable UK bank AT1s which we do not see as justified (e.g. the $7.5% versus the Barclays $7.875% or the $7.75% versus the HSBC $6.25%) – we are anticipating some more AT1 supply at some point soon as well, even though the bank called but did not replace AT1 recently. We'd also avoid the high cash price USD Tier 2s, like the $5.2% (Underweight). We note that the EUR holdco seniors do trade quite wide here (e.g. the recent €0.85%) in contrast to other parts of the capital structure, but compare poorly in our view with e.g. the STANLN Holdco CDS which is now 50bps wider versus the mid-Feb tights, at +130bps

The 'snap back' candidate(s)?

DB bonds have underperformed in the recent sell off but most secondaries remain comfortably above levels we saw at the beginning of January, we think. The temptation would be to highlight almost any DB bond since the bank has underperformed in the recent sell-off. We like DB and many of its bonds continue to look cheap and we continue to recommend them. They are a clear 'snap back' candidate, we think.

The new DB $6% AT1s have dropped 8 points since new issue a few weeks ago and now yield nearly 8%. We like DB and those bonds certainly look very cheap. We wonder about the market reaction, however, if as we expect, the bank does not call the $6.25%. These have dropped 5 points in this sell-off and the call announcement is due in a month.

Instead, we would highlight the Caixabank €1.375% SNP which is +54bps wider in the last week alone, presumably on concerns with respect to the ECJ's ruling on the IRPH mortgage case which is due on March 3rd. In our view, Caixabank is one of the most solid of the Spanish banks. We thought 4Q19 numbers were very solid, with the bank achieving its CET1 ratio of 12% and outperforming its NPL target. Our central thesis is that IRPH will be an earnings rather than a capital event for the bank and we expect the ECJ to potentially recommend that the issue is dealt with by the Spanish Courts as per the original Advocate General opinion. In any case, at current levels, it seems that spreads are discounting a much worse outcome, we think. We add coverage of this bond with an Overweight.

European Re/Insurers

We do not think that European Re/Insurers are at risk because of the potential pandemic risk of the coronavirus in Europe and the rest of the world. We think that the consequences of the coronavirus are more likely to be a profit and loss than a credit impact. Among the reinsurers, Scor seems to be the most exposed given the importance of the Life Reinsurance line of business. Nevertheless, as disclosed by the reinsurer, the potential impact at this stage is about €100mn; in an extreme scenario, the impact would be manageable as Scor's management would expect to maintain the company's solvency position at its optimal range (185%-220%). Axa, Allianz and Generali have released little information about the potential impact. Considering their business mix by geography and line of business, we think the outcome would be limited. Pure Life players in Continental Europe such as CNP are unlikely to be at risk, in our view, because of the predominance of Savings products. For example, CNP's maximum potential loss corresponding to 30,000 deaths due to the coronavirus in France is capped to €100mn. Prospectively, the post-consequences of the coronavirus would be a sudden increase of demand for Protection covers for Life insurers; this would be positive but we think that the increase in demand would nevertheless be marginal at the group levels.

Scor's 5.25% $749.8mn Restricted Tier 1 bond spread, for which we have an Overweight recommendation, has widened quite significantly over the recent weeks to Z-spread +442bp from 300bp on 14 February 2020. Given Scor's strong risk profile and limited exposure to the coronavirus, we remain constructive on the issuer and bond and believe it spread level is likely to tighten back to the region of 300bp once the coronavirus crisis is over.

For investors seeking a defensive asset allocation, we would recommend **Munich Re's 6.25% €900mn Tier 2 subordinated bond**, for which we have a Market weight

recommendation, trades at Z-spread 61.8bp. Our rationale is based on the reinsurer well diversified risk profile, very strong risk profile as reflected by its Solvency II ratio of 237% without transitional rules on technical reserves at year-end 2019 and strong earnings.
(*PP*)

Corporates

Airlines - Exposed

While airline bonds have underperformed recently, we think that on balance risks remain skewed to the downside for the legacy airlines. We believe international travel will remain subdued beyond March and according to our Economists global growth seems likely to slow. Although Lufthansa's capacity exposure in China is less than Air France-KLM's, we think the credit is weakly positioned in its current ratings even before factoring likely coronavirus negative impacts. Hence, we see scope for Moody's/S&P moving Lufthansa to a negative outlook in the near term and a risk of being considered for high yield rating at Moody's should the outbreak impacts be prolonged. The company has yet to report any potential financial impacts and FY19 results are due on 19th March. We think fair value for the €'24s (z+96bps) is at z+120bp.
(*CE*)

Autos – OEMs and Suppliers

We envisage three principal effects on autos issuers under our coverage, from the current situation. **Lower vehicle sales** – particularly in China, but also in other markets, as **supply chain issues** arise and production is interrupted. As component inventories are exhausted, and product exports are delayed, we expect **working capital build,** as completed units remain unsold, awaiting the resumption of normal activity.

While statistics relating to China vehicle sales (-92% y/y for February) and China earnings exposure (i.e. c.28, 38%, 41% net income for BMW, Daimler, VW respectively) are of some relevance to investment considerations, drastic policy responses (i.e. quarantine) and the potential for further measures, require a wider-reaching contemplation. There are very limited data available with which to consider exposure to component supply from China within auto supply chains, yet a shortage of even the most simple component can be critical to continued production. As a result, we think companies with strong fundamentals remain the best way to begin approach investing in the sector today: cashflow, leverage, and liquidity. The effect of each on issuer ratings will be an important driver of spreads in future, particularly in investment grade credit.

We remain of the belief that effects on the auto sector will eventually end, yet caution that lost sales may not be "caught up" in full, contrary perhaps to some market expectations. We note that previous stimulus effects (in China in particular) have been particularly nuanced, and have not necessarily provided genuine boosts in vehicle demand; we believe this is contrary to some market expectations.

We think **Volkswagen** remains the best-placed and strongest credit in autos. While it has considerable exposure to China at the net income level, the share of profits is below the EBIT line, so headline effects / need to profit warn may be limited. Cash and CDS spreads have performed well relative to comps such as **Daimler**, which reports its significant China exposure above the EBIT line. We think a profit warning may follow at Daimler in 2020, and we think A3/A- ratings with negative outlook are consequently at risk (see our note).

We think auto suppliers will be particularly adversely affected by the current situation, with significant (double-digit) direct revenue exposure to China across many of the issuers in the sector. In addition, margins are much higher in China for many suppliers than in other regions, so lower China sales will disproportionately impact margins. **Valeo** guidance will likely have to be revised lower, in our view, as a result of the impacts of the pandemic, leaving its Baa3/BBB- ratings at risk. It continues to trade much tighter than comparable credits. **Schaeffler** reports results next week, and we have previously highlighted our expectation that the company will be downgraded to high yield in the near future.

In high yield, **Faurecia** has underperformed higher-rated comparables, such as Valeo, which we view as a fundamentally weaker credit at present. We note that **Jaguar Land Rover** has significant exposure to China – c.19% wholesale volumes, including its China JV – and we believe profitability in country is much higher (i.e. EBITDA margins at least double the overall group level for imports). Thus we anticipate potentially significant effects on profitability, and cash flow, from the situation, should it persist beyond the end of the current month. However, although the company has yet to raise further liquidity (after indicating it may do so on its most recent conference call), we believe current liquidity is adequate for the medium-term (see note).
(*PB*)

Business services – defensive names

We view names in our Business Services universe as good defensive longs in an escalation scenario and expect limited first-order effects. We estimate revenue exposures in China to be in the low-single digits for Compass (CPGLN), Sodexo (SWFP) and Edenred (EDENFP) and small for most of the names in the index, with Amadeus (AMSSM) and G4S (GFSLN) the noteworthy exceptions. Cost structures are dominated by wages/overheads, whereas inventories consumed are mostly sourced locally. Therefore, we expect minimal if any supply chain disruptions.

We highlight our Overweight on Edenred 1.875% €'27s (YTW: 0.3%) as our preferred recommendation in the space. The bond trades wide vs. similarly rated tech/services peers, we expect credit metrics to keep improving and in the absence of material M&A to reach the upgrade thresholds at S&P in FY20.
(*HP*)

Chemicals – China exposure

The chemical industry is exposed to China and we believe that weakness in China will impact a majority of the space. BASF recently noted the significant impact of coronavirus thus far, and their expectation that adverse developments in H1 are not likely to be made up in H2. We view Solvay as being relatively defensive in the current market. Solvay is diversified by end-market and geography, with 8% of 2018 sales coming from China. Solvay's Soda Ash business recently had a solid price increase to help offset weakness in consumer, aerospace, and oil & gas end-markets. Although, we note that China accounts for a significant portion of global soda ash demand.

We are Underweight on K+S' senior unsecured notes, as a slowdown in China, exacerbated by the coronavirus, is a further headwind in potash. K+S lowered their guidance in Sep. 2019, citing headwinds from slowing Chinese demand. BofA Equity Analyst Steve Byrne notes from the recent BofA Conference that concerns in China have moved expectations for a Chinese import contract from Q1 to Q2, and that current transport restrictions due to coronavirus could create problems for potash moving in-land from the port.

In the event of a turnaround

We note downside risk to Overweight-rated Diversey. Approx. 14% of Diversey's YTD Q3:19 sales are from Asia-Pacific. Diversey is currently running on tight liquidity, having drawn their revolver by $140 mm (of $250 mm total availability), with $106 mm in unrestricted cash. Our concern is that a prolonged coordinated slowdown would negatively impact Diversey's already thin liquidity. However, in the event of a market rebound, Diversey's notes offer 5 points of upside from their recent high of par.
(*CR*)

Food Retail – Carrefour at OW

Carrefour bonds have widened by 10-20bps in the past two weeks although the company is unlikely to suffer from any substantial impact from coronavirus. Carrefour is geographically well diversified with limited exposure to countries hit by large outbreaks at the moment (3% sales exposure to Asia, 6% to Italy). Although coronavirus could trigger "stockpiling behaviours" and reduce in-store traffic thereafter, we would expect this to be short-lived and partially offset by consumers shifting online. In this respect, Carrefour is well prepared as 1) it has rolled-out e-commerce websites in all countries where it operates and 2) as it is the 2nd largest player in click-and-collect ("Drive") in its domestic market France. Therefore, we see value in the belly of CAFP curve (e.g. €24s @ 60bps mid-z-spread) as it now trades in line with Tesco despite higher credit ratings and greater geographical diversification. In our view this is unjustified as we see a positive path to earnings recovery in FY20 and a potential rating upside in the medium term, given Carrefour's credible turnaround plan. We have Overweight recommendations on Carrefour €22s and longer-dated bonds and a Sell Protection recommendation on Carrefour 5-year CDS.
(*AM*)

Gaming – high leverage and re-fi concerns

Direct/indirect exposure to China for Cirsa and Codere is negligible, in our view. We would expect operational headwinds should Corona develop and impact casino opening hours/tourism/sporting occasions and consumer spending. However near-term the broader market conditions are perhaps more pertinent for both names given i) Cirsa's high leverage through the PIK and ii) Codere's tight re-financing window, heavily dependent on favourable market conditions. We remain relatively comfortable with Cirsa's fundamental trajectory (OW the secureds); albeit we acknowledge scope for a pandemic driven sell-off put pressure on the higher beta PIKs. For Codere we fear a prolonged escalation could make a re-financing impossible, we recently downgraded the bonds to MW (see: Upbeat outlook but market is too punishing).
(*NM*)

Paper & Packaging – Smurfit for safety

We prefer the relative safety of Smurfit Kappa in this market. Smurfit Kappa has maintained steady cash flow, with low leverage. Smurfit Kappa has no direct exposure to China, operating mostly in Europe and Latin America. In the event of a broader market slowdown, we prefer the relative safety of Smurfit Kappa's business and balance sheet.
(*CR*)

TMT – limited operational impact in relative terms

Broadly speaking we view European TMT under our coverage as relatively well insulated from virus impacts. Our European sector has very limited direct exposure to China as a market, albeit we acknowledge potential for supply chain disruption. Telecom operators could even benefit from lower churn or capex delays. In Media ITV is perhaps most susceptible to recession fears given the early-cyclical nature of TV advertising, however we note the solid cash flow profile and step-up coupons on the bonds.

We view the likes of Telecom Italia (e.g. 2.75 €'25, see: Telecom Italia- Network deal approaching?), Vodafone (6.25 NC $'24, see: 2023 outlook - Buy) and SES (5.625 NC €'24, see: FCC Chairman Pai reaches C-Band decision) as relatively attractive defensive longs in HY space. In an escalation of the pandemic sell-off scenario we view Orange as our favoured defensive idea (seniors or hybrids).

In a snap-back scenario if pandemic fears ease, we favour compression trades on highly-levered names such as the ATCNA/SFRFP 8% €'27s (YTC: 4.3%) and United Group (9% €'25s). In investment grade there is limited beta on offer in the sector, thus it would likely underperform in a "snap-back". Within the sector we continue to have an OW on BT (e.g. 1.5% €'27s z+94bp, see: Hybrid likely the first of many) which offer the most

scope from compression.
(*NM*)

Tobacco – low exposure

We have an Overweight recommendation across the bonds under coverage for BAT and Imperial Brands. Both have negligible operational exposure to China. We would expect the virus to impact duty free sales given travel restrictions and we think any escalation could begin to impact retail demand. Nonetheless the product remains a “near-essential” for most customers and stock piling could mitigate waning retail demand.

From a fundamental perspective both names generate significant discretionary free cash flow and actively target de-leveraging. Price action has thus fur as has been relatively benign with 5-7y bonds c. 20-30bp wider. Spreads will widen if pandemic concerns escalate but given the aforementioned factors we think Tobacco names are well position to outperform the broader BBB market.
(*NM*)

Utilities – broadly insulated

We think that the Utilities sector is likely to remain broadly insulated from the potential effects of Coronavirus, particularly those names with a high share of regulated and quasi-regulated earnings. We remain cautious on those names which have a relatively higher exposure to commodity prices and merchant power generation, such as Naturgy. A key exception however is EDF, which we like given attractive valuation for the hybrid bonds and positive event risk. EDF hybrid bonds have underperformed over the past month and are among the worst performing bonds in the ICE BofA Utilities Index. We think this is in part related to the weaker outlook for power prices and EDF's high exposure to merchant generation (lagged for forward hedging effects). However, the French government is currently negotiating with Brussels to amend the current regulated price mechanism for nuclear energy to a more favourable regime which we expect to include a higher price and cap and collar mechanism. We expect this to be materially positive for EDF cash flow. EDF is also due to unveil the details of the proposed corporate restructuring in the summer. While the details are yet to be confirmed, we think that restructuring scenarios will be materially credit positive for bondholders, particularly given that the main goal of the restructuring would be to improve EDF's ability to finance the roll out of green power in France.
(*CE*)

Real-Estate – fundamentals remain solid

We think overall Real Estate sector fundamentals remain solid despite the likelihood of a coronavirus induced softening of the global growth outlook. We think the sector has a defensive profile, benefiting from long lease terms, and the interest rate environment remains very supportive. The fall in government bond yields means that risk premiums in property are likely to widen even while property direct yields have been declining. We like exposure to attractive market segments such as German prime offices, Paris central offices, and logistics.

We highlight Gecina longer end Euro bonds as attractive in the current environment. We think that Gecina has developed a very strong position in the increasingly attractive Paris office market, which is experiencing a growing supply side shortfall which is supportive for valuations over the medium term. LFL rental income growth remains good, while LTV has been declining on selective disposals as well as valuation gains. Gecina remains very comfortably positioned in its current A credit ratings, and we think it will remain a safe haven while also benefiting from positive macro tailwinds such as low interest rates and continuing CSPP support to the Euro credit market.
(*CE*)

Options Risk Statement

Options and other related derivatives instruments are considered unsuitable for many investors. **Options strategy is by definition governed by a finite duration. The most severe risks associated with general options trading are total loss of capital invested and delivery/assignment risk, all which can occur in a short period.**

Valuation & risk

Air France-KLM (AFFP)

We have an Underweight recommendation on Air France-KLM € senior bonds as despite attractive spread levels we expect Air France-KLM bonds to Underperform given the likely impact of the Coronavirus outbreak on global travel, softer global demand, and uncertainty on labour relations, We have a Marketweight recommendation on the October-20 call hybrid bond, where we expect limited further spread widening, and which we expect to be redeemed at the first call date.

Downside risks to our recommendation are a swifter than expected resolution to the Coronavirus outbreak, better than expected global GDP growth, better-than-expected premium cabin aviation demand, cost savings significantly ahead of expectations, lower fuel prices and lower capacity growth at competitors.
Upside risks to our recommendation are worse-than-expected GDP and aviation demand, higher-than-expected competitor capacity/seat growth, and significant upward movements in fuel prices or foreign exchange volatility. Unexpected labour-related issues or geopolitical events could also affect our recommendation.

Altice Europe (ATCNA)

Altice bonds are heavily structurally subordinated and highly levered. We have a MW on the 25s and an Overweight on the 27s. The 25s will shortly be re-financed. We see further upside in the 27s upon the execution of de-leveraging measures, swap-down and an improved FY20 outlook.

Risks to the upside: i) Outperformance of earnings on the back of greater than expected cost savings, ii) further asset sale execution, iii) asset sale proceeds applied to Altice Lux debt, iv) top-line improvement in France/Portugal, v) early refinancing of the bonds and vi) consolidation in France.

Risks to the downside: i) Failure to execute on turnaround strategy leading to further earnings pressure, ii) unfavourable FX moves, iii) EM/periphery volatility, iv) continued top-line pressure in France and Portugal, v) the removal of consolidation as a backstop to valuations, vi) weakening HY market conditions and vii) a failure to deliver sustainable positive FCF.

Altice France (SFRFP)

We expect performance to improve following a stabilization of operating trends. However following strong performance YTD we view the bonds under our coverage as trading near fair value vs. peers.

Risks to the upside: i) further cost saving measures, ii) a recovery in the top-line trends supported by market pricing recovery, iii) a change to a more conservative financial policy resulting in lower cash up-streams than we anticipate.

Risks to the downside: i) a material increase in competition in French mobile/broadband markets, ii) a more aggressive approach to op. co. leverage including the use of subordinated leverage headroom, iii) further dividend payments, iv) a push-down of ATCNA debt and vi) the removal of consolidation as a potential catalyst in the French market.

Ypso Finance Bis SA (SFRFP)

Ypso Finance bonds are structurally subordinated and highly levered. We have an Overweight on the 28s reflecting our expectations that spreads could tighten further following FY20 results.

Risks to the upside: i) Outperformance of earnings on the back of greater than expected cost savings, ii) further asset sale execution, iii) asset sale proceeds applied to Altice France debt, iv) top-line improvement in France, v) early refinancing of the bonds and vi) consolidation in France.

Risks to the downside: i) Failure to execute on turnaround strategy leading to further earnings pressure, ii) continued top-line pressure in France, iii) the removal of consolidation as a backstop to valuations, iv) weakening HY market conditions and v) a failure to deliver sustainable positive FCF.

BAT Capital Corp (BATSLN)

We view BAT bond levels as cheap to similarly rated corporate peers, especially the long-dated euro part of the curve. We think this is unjustified given strong fundamental characteristics such as a commitment to deleverage and high FCF generation. We see valuations as driven by more technical factors such as ESG and CSPP ineligibility. We think spreads are attractive and there is room for further compression upon the delivery of deleveraging.

Downside risks: i) Quicker or stronger than expected regulatory measures from the FDA or globally which may have a near-term impact on performance, ii) the emergence of unforeseen material litigation payments, iii) a failure to deliver price increases sufficiently to offset volume declines and iv) a decision to pursue a more shareholder friendly financial policy.

BAT Inter. Finance (BATSLN)

We view BAT bond levels as cheap to similarly rated corporate peers, especially the long-dated euro part of the curve. We think this is unjustified given strong fundamental characteristics such as a commitment to deleverage and high FCF generation. We see valuations as driven by more technical factors such as ESG and CSPP ineligibility. We think spreads are attractive and there is room for further compression upon the delivery of deleveraging.

Downside risks: i) Quicker or stronger than expected regulatory measures from the FDA or globally which may have a near-term impact on performance, ii) the emergence of unforeseen material litigation payments, iii) a failure to deliver price increases sufficiently to offset volume declines and iv) a decision to pursue a more shareholder friendly financial policy.

Reynolds American (BATSLN)

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Downside risks: i) Quicker or stronger than expected regulatory measures from the FDA or globally which may have a near-term impact on performance, ii) the emergence of unforeseen material litigation payments, iii) a failure to deliver price increases sufficiently to offset volume declines and iv) a decision to pursue a more shareholder friendly financial policy.

British Telecom (BRITEL)
In sterling we view spreads as fairly valued vs. peers. Wider levels vs. peers such as Vodafone in euros provide more attractive opportunities in our view. In dollars we flag the longest-dated bond benefits from coupon-steps. The inaugural hybrid bond appears fair value vs. peers given our expectation of balance sheet supporting measures.

Upside risks are: i) a change in financial policy to return to high-BBB ratings in the near-term ii) significant bond buybacks and/or re-financing initiatives iii) a material increase in the discount rate and/or bull market resulting in a narrowing of the pension deficit. Downside risks are: i) a material decline in the discount rate and/or market sell-off resulting in a widening pension deficit ii) pressure building for a further credit downgrade iii) increased competition in the fixed-line/mobile market iv) a change in financial policy and v) increased regulatory pressure to build-out FTTH.

CaixaBank (CABKSM)
A potential negative outcome from the ECJ's ruling on the IRPH case (basically a lack of transparency in mortgages sold) has weighed heavily on CaixaBank securities and has pushed selected bonds to trade at quite wide levels which we think are attractive, as a significant amount of bad news appears priced in, in our view, whatever the outcome. CaixaBank is one of the most exposed to these mortgages with around EUR 7bn outstanding. Recent earnings have shown resilience, with stronger capital and impaired loan reductions outperforming expectations. CaixaBank's EUR SNP bonds are now rated investment grade by all the major agencies. We see modest on-going supply risk as the bank builds its MREL buffers in the coming years. We prefer Caixabank to Santander/BBVA which are much more complex credits. BBVA in particular is exposed to events in Turkey, we fear. We also view the balance sheet clean-up positively and believe that the SNP is better positioned than Spanish peers.

Downside risks: significant IRPH provisions that would significantly dent capital rather than earnings, write-downs of the bank's exposure in Angola, a miss in terms of capital expectations. Upside risk: better-than-expected improvement in profitability and capital levels.

Carrefour (CAFP)
Carrefour's turnaround plan is credible and we believe in a path to earnings recovery from FY20 onwards. We think credit rating metrics will improve accordingly and therefore we see upside potential for mid-to-long term bonds and the 5y CDS. The short term bonds look fairly priced.

Upside risks are: 1) Carrefour's strategy delivers better than expected results in FY20, 2) upward revision of Carrefour's cost savings target, 3) FCF or proceeds from extraordinary measures are used to reduce gross debt and 4) earlier than expected positive actions from rating agencies.

Downside risks are: 1) Moody's downgrading Carrefour to BBB, 2) the transformation plan fails to improve Carrefour's competitiveness, 3) large FX headwinds in Latam and 4) M&A risk.

Codere Fin 2 Luxmbg (CDRSM)
Codere bonds trade at cash prices of c. 88. We think upside/downside is broadly balanced given some potential positive fundamental developments but risks around Codere's exposure to volatile market conditions. Thus we see the bonds as fairly valued vs. peers.

Upside risks: i) rebound in Argentina's FX/economic outlook/risk premiums, ii) delivery of cost and growth initiatives above guidance, iii) injection of shareholder funds, iv) unexpected easing of regulatory/tax burdens in important jurisdictions, v) portfolio monetisation.

Downside risks: i) failure to refinance, ii) further deterioration in Argentinian macro outlook and currency devaluation, iii) failure to deliver on anticipated growth and cost saving initiatives, iv) a change in leverage policy beyond the guided 2.5x-3.0x, v) contagion in Latin America causing broader devaluation, vi) unexpected incremental tax/regulatory headwinds, vii) debt financed M&A and viii) the discovery of additional accounting issues, vii) weakening in the broader credit environment.

Compass Group plc (CPGLN)

In the European Food Services space we view Compass €'24s as trading wide to Sodexo €'26s and €'27s and expect some tightening going forward. We think the rest of the bonds under our coverage are fairly priced at the current levels. We do not expect a change in the company's financial policy and hence, we think a rating action is unlikely in the medium term. However, the company has a structural cost advantage and superior customer proposition in terms of innovation and offering specialization. These competitive advantages have translated in stronger credit metrics over the past years, which we expect to continue to outperform Sodexo's.

Upside risks: i) move to a less shareholder-friendly financial policy, ii) faster than anticipated outsourcing growth, iii) a switch to a more centralized procurement model in Europe.

Downside risks: i) large debt funded M&A transaction, ii) higher than anticipated shareholder returns and iii) intensified cost pressures (e.g. wage, food).

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COMPASS GROUP INTLBV (CPGLN)

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Daimler AG (DAIGR)

We rate DAIGR Euro-denominated bonds Underweight and we are Neutral on the CDS. We think the business faces several operational challenges, and may continue in its downwards ratings progression. We think DIAGR spreads can widen relative to those of BMW, and can continue to converge to those of the BBB-index.

Downside risks: high operating leverage, emissions compliance issues, further diesel-related impairments, debt-funded M&A. Also, if the finance company encounters constrained capital raising abilities, Daimler will need to post higher levels of cash which could reduce liquidity. Finally the company has material exposure to the global diesel market.

Upside risks: sustained auto volume growth, price & mix improvement, lower trade tensions.

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Deutsche Bank (DB)

Most of Deutsche Bank cash securities and CDS trade wide even when compared to other troubled comps. The bank has now announced a new restructuring which entails a significant shrinkage in its business profile in investment banking especially in Equities and its leverage assets. We view the plan favourably from the credit perspective. Because the plan is such a big shift, we expect the rating agencies to forbear with DB during the next few years of execution. DB bonds remain sensitive to market volatility but even so, valuation looks very cheap across the capital structure. The senior preferred looks fair value but SNP and sub spreads look cheap in USD and EUR. We also see value in DB's USD T2 ($4.296% and $4.875%). Guidance on supply usually comes with the fixed income conference call.

Downside risks: We see risks in any case around the execution of the bank's new strategic plan, impact of regulatory changes relating to the calculation of RWAs, residual litigation and conduct charges beyond what the bank has already provisioned for, weak performance of the bank's markets business as a result of difficult market environment.

Diversey (DIVRSY)

Our Overweight recommendation is driven by attractive relative value and our view that cash flow will soon hit an inflection point. Diversey has faced headwinds from Fx and standalone costs since its sale to Bain Capital. Additionally, management has been aggressive in pursuing growth. Downside risks are operational headwinds and cost savings execution that result in a continued burn cash, pushing leverage up further. Upside risks are execution on full cost savings driving cash flow higher and leverage falling to more manageable level.

Diversey bonds trade wide to chemical peers and we think they should trade tighter as cash flow improves.

Edenred (EDENFP)

Fundamentally we like Edenred's float-driven, structurally negative working capital as well as its strong growth outlook and asset light business model. Although capex will remain somewhat elevated, we expect Free Cash Flow (FCF) conversion to stay high and in the absence of material M&A, we see key credit metrics reaching the thresholds for an upgrade at S&P in FY20. On the long-end spreads appear wide and the curve steep vs. similarly rated names in the European Tech and Services space. Hence, we initiate coverage with an OW on the long-end while we have a Marketweight on the '22s as these look tight.

Upside risks: (i) minimal M&A spending, (ii) stronger macro in Brazil and Mexico, (iii) faster margin expansion through digitalization, SMEs and recent transactions.

Downside risks: (i) greater than expected capital allocation on M&A, (ii) macro deterioration in Brazil and Mexico, (iii) revenue growth slowdown.

EDF SA (EDF)

EDF senior and hybrid bonds trade wide for their credit ratings, but we think a potential government led restructuring could be materially credit positive. We have Marketweight recommendations on short end EDF senior and hybrid Euro, Sterling and US dollar bonds, and Overweight recommendations on most longer end senior and hybrid bonds, and a Neutral recommendation on 5 year CDS.

Downside risks to our thesis are material unplanned nuclear generation outages, capex and new-build cost overruns, a material change in the nature of French state support, a significant increase in competition in the French retail market, and a restructuring entailing bondholder unfriendly actions. Upside risks are cost/capex efficiencies materially better than expected, substantial and sustained further increases in power prices, and supportive new regulation or legislation to remunerate baseload power in Europe.

Faurecia SA (EOFP)

We rate Faurecia's 2025, 2026 and 2027 bonds Marketweight. We see the bonds fairly valued relative to peers, and while we expect steady credit improvement, we think much of it is already accounted for in Faurecia spreads. In addition, we expect relatively less benefit for EOFP bonds from any impact of the resumption of the ECB's CSPP programme, compared to investment grade peers.

We rate Faurecia 5-year CDS Neutral, seeing it fairly valued relative to peers, and anticipate little volatility in the contract in the near-term.

Upside/downside risks: more/less global vehicle production, contract wins/losses, cost control/inflation, more/less capital expenditure, lower/higher shareholder remuneration, less/more aggressive financial policies. M&A could prove to either benefit, or detract from Faurecia's credit profile.

Gecina (GFCFP)
We have an Overweight recommendation on the 2027 to 2032 bonds, as they trade wide to ratings peers despite comfortable rating headroom and attractive fundamentals. We have a Marketweight recommendation on the shorter-dated bonds, as we think current negative yields will preclude near-term outperformance.

Upside risks to our recommendation are: (i) better-than-expected Paris office improvement and faster asset value appreciation, which would support LTV at low levels. Downside risks are: i) the French office occupational market declines and vacancy rate grows, ii) Gecina does not deliver on its development pipeline, and iii) investment demand for real estate declines and real estate yields widen.

IHO Verwaltungs GmbH (SHAEFF)
We have an OW recommendation on the front-end (€25s and $26s) and a MW recommendation on the other bonds (€26s, €27s, $27s and $29s). Given the structural subordination and inherently equity-linked credit quality of these instruments, we prefer to limit our duration exposure at this entity. We think bonds at IHOV should continue to benefit from the strong credit support offered by equity stakes in Conti and Schaeffler at this level. We think both companies are relatively well placed to face the coming downturn in Global Auto markets, and expect leverage at IHOV to remain moderate. We expect continued deleveraging at this level over time.

Upside risks: use more dividends received to pay down debt / use any disposal proceeds for same / value of owned equity stakes increases / asset coverage increased at IHOV level
Downside risks: dividends received fall / share prices of owned stakes fall / shares owned at IHOV level reduced

Schaeffler AG (SHAEFF)
We have a Marketweight recommendation on the Schaeffler Opco bonds: €22s, €24s and €27s. We expect profitability and Free Cash Flow (FCF) to continue to deteriorate as a result of both cyclical and idiosyncratic developments associated with the Automotive OEM segment. We think Schaeffler rightfully trade at a discounts to investment grade peers, due to the higher risk to its margins as it is transitioning away from its traditional ICE business. We think it has a promising product pipeline (hybrid & electric axle) but see significant cost headwinds in the near & medium term.

We see leverage remaining elevated and perhaps increasing, in part as it continues to pay dividends up to the HoldCo level.

Upside risks: Faster hybridization of drivetrain drive sales more than anticipated. Further large customer wins for its hybrid and electric axle offerings. Successful completion of cost cutting in industrials and better than expected end markets could drive a faster and more significant margin improvement.

Downside risks: A very fast transition (before its full electric axle can replace traditional volumes) from combustion to full electric could impact addressable content per vehicle for Schaeffler in the medium term. Restructuring in industrial division might not achieve anticipated targets and division continues to underperform in weak end markets. Spiralling costs from investments into e-mobility which put pressure on margins.

Schaeffler Finance (SHAEFF)
HOLD

Imperial Br Fin (IMBLN)
We view Imperial bond levels as cheap to similarly rated corporate peers. We think this is unjustified given strong fundamental characteristics such as a commitment to

deleverage and high FCF generation. We see valuations as driven by more technical factors such as ESG and CSPP ineligibility. We think spreads are attractive and there is room for further compression the delivery of the disposal program in particular.

Downside risks: i) Quicker or stronger than expected regulatory measures from the FDA or globally which may have a near-term impact on performance, ii) the emergence of unforeseen material litigation payments, iii) a failure to deliver price increases sufficiently to offset volume declines and iv) a decision to pursue a more shareholder friendly financial policy.

ITV PLC (ITVLN)

We view levels in the EUR23s and EUR26s as attractive given i) attractive carry vs. BBB- peers, ii) wide levels vs. Media names, iii) step-up coupons which would more than compensate for a downgrade and iv) CoC protection.

We view levels in the EUR22s as adequately reflecting the risks facing creditors including Liberty's stake in the business. In CDS we believe levels are too tight given the absence of downside protection offered by the bonds in the form of coupon step-ups and CoC put options.

Downside risks: i) more debt financed acquisitions, ii) a material decline in the UK advertising market potentially exacerbated by Brexit uncertainty, iii) an acceleration of the structural headwinds facing the linear TV market, iv) an increase in Liberty Global's stake.

Upside risks: i) a change in financial policy to allow for consistently lower leverage, ii) a return to growth in the UK advertising market and iii) more benign Brexit negotiations than we currently anticipate.

Jaguar Land Rover (TTMTIN)

We think JLR bonds trade tight to its peer group both within the sector and the wider market. We also note the strong liquidity of the business from recent bond issuances diminishing the near-term risk of JLR bondholders.
Hence, we have a Marketweight recommendation on all front-end TTMTIN bonds: $ 3.5% '20, £ 2.75% '21, £ 5% '22 and $ 5.625% '23, £ 3.875% '23. We retain our Underweight on all back-end bonds: € 2.2% '24, € 5.875% '24, € 4.5% '26, € 6.875 '26 and $ 4.5% '27 bonds. We have a Buy Protection recommendation on JLR 5y CDS.
In our view, JLR's cost base remains elevated, despite recent cost improvement efforts, constraining profitability to meet capital expenditure requirements. We expect further access to the debt capital markets, and see eventual risk of subordination of existing bonds.

Upside risks are stronger than expected demand, less price competition, lower raw material costs, improved market dynamics, improved operating performance, bondholder-friendly capital markets activity, M&A.

Downside risks are weaker than expected demand, more price competition, higher raw material costs, weaker market dynamics, weaker operating performance, bondholder-unfriendly capital markets activity, M&A.

K+S AG (SDFGR)

Our Underweight rating on K+S senior unsecured notes is driven by unattractive relative value. SDFGR notes trade tight to high yield chemicals peers and flat to hybrid issues of high grade issuers. The company has volatile risk exposures as a commodity chemical name with end-markets impacted by weather events. K+S has a leveraged balance sheet currently with minimal cash flow forecasted. Upside risks to our thesis are potash or salt prices rise higher than expectations, providing significant cash flow and de-leveraging.

SDFGR bonds trade tight to high yield chemicals peers but in line with hybrids of IG issuers. We think the bonds should trade wider.

LHMC Finco Sarl (LHMCFI)

We have an Overweight recommendation on the Cirsa (LHMC Finco Sarl) 6.25% €'23s and 7.875 $23s. Our recommendation reflects the following fundamental credit drivers: i) our expectation of solid operating performance in its core market of Spain, driven by diversified operations, a stable regulatory environment and a supportive economic environment ii) solid FCF generation, iii) the potential for modest de-leveraging from current levels, and iv) less exposure to Latin America following the disposal of the Argentina business.

From a relative value perspective, in spite of the rally since issuance and the bonds trading slightly tight vs. their rating we continue to view the bonds as moderately attractive and see scope for modest tightening on delivery of earnings and partial deleveraging.

Risks to our recommendation: i) unforeseen regulatory/tax changes, especially in Spain, ii) weaker than expected margin improvement, iii) a material increase in periphery related volatility, especially with respect to Spain and Italy and iv) significant distributions to the parent at the expense of near-term deleveraging.

Lufthansa (LHAGR)

We think that relative value on Lufthansa's €2024 bonds are unattractive versus European airlines peers given its weaker credit metrics, lower rating, and unprofitable low cost arm which remains subject to intense competition in its home market. Upside/downside risks to our recommendation are significant changes in the macro-economic backdrop, changes in the competitor capacity environment, movements in fuel prices and foreign exchange. We also note M&A-related, labour-related and geopolitical-related risks associated with our recommendation.

Munich Re (MUNRE)

At year-end 2018, Munich re disclosed a Solvency II ratio of 295%, one of the highest in the industry.
We believe that its subordinated bonds are fairly priced given their current spread levels. In fact, we believe that Munich Re's subordinated bonds already factor the issuer's strong risk profile and we don't expect potential additional spread tightening.

Upside risks
Improving profitability indicators in both its P&C Reinsurance and Primary Life lines of business
A less aggressive capital management leading to higher retained earnings
Munich Re's Primary Life improving profitability and the continuing decline of the Life back book Life portfolio with high minimum guaranteed rates

Downside risks
A sudden increase in natural catastrophes could possibly put at risk the reinsurer from a credit perspective
Aggressive capital management in the form of high share buy-backs would weaken the reinsurer's risk profile
Risk concentration in some regions could be a concern in the event of the sudden occurrence of peak risks

Naturgy (NTGYSM)

We think Naturgy bonds trade at tight levels versus other 'BBB' utilities. We think that Naturgy's shareholder remuneration policy, which envisions distributing effectively all of their free cash to shareholders in the form of dividends, is aggressive and leaves little margin for error in the execution of their strategic plan. Delivery against the plan targets requires a significant contribution from cost cutting, and while we give Naturgy the benefit of the doubt in our forecasts we think further de-leveraging will be limited.

Downside risks are political and LatAm, FX and potential M&A. Upside risks: further increases in LNG prices: appreciation of LatAm currencies: the unlikely adoption of a more conservative financial policy.

Naturgy Cap Mkt SA (NTGYSM)

We think Gas Natural bonds trade at tight levels versus other 'BBB' utilities. We think that Naturgy's shareholder remuneration policy, which envisions distributing effectively all of their free cash to shareholders in the form of dividends, is aggressive and leaves little margin for error in the execution of their strategic plan. Delivery against the plan targets requires a significant contribution from cost cutting, and while we give Naturgy the benefit of the doubt in our forecasts we think further de-leveraging will be limited.

We see little fundamental upside, and other risks present are political and LatAm, FX and M&A. Upside risks: further increases in LNG prices: appreciation of LatAm currencies: the unlikely adoption of a more conservative financial policy.

Naturgy Finance BV (NTGYSM)

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We see little fundamental upside, and other risks present are political and LatAm, FX and M&A. Upside risks: further increases in LNG prices: appreciation of LatAm currencies: the unlikely adoption of a more conservative financial policy.

Orange SA (ORAFP)

From a fundamental perspective we have few concerns regarding Orange's credit profile. In 2019 we expect further organic growth in revenue, EBITDA and FCF. Net debt/EBITDA of 1.9x remains within management's medium-term target of around 2.0x. This is consistent with rating agency requirements for the current ratings.

Valuations of the senior bonds and hybrids are tight but we view Orange as a solid defensive name in the sector. We prefer it as a low-beta long vs. DT.

Upside risks are: i) credit friendly actions such as further equity financed deals and additional hybrid issuance, ii) the state pledging to maintain its 23% stake.

Downside risks are: i) the debt financing of a deal in France ii) a more aggressive financial policy iii) further material acquisitions in Africa iv) a sell down of the state's stake resulting in a one-notch downgrade.

SCOR (SCOR)

We believe its €3.625% subordinated bond is fairly priced relative to similar bonds issued by both Hannover Re and Munich Re, hence our Market weight recommendation.. Relative to similar bonds issued by Hannover Re and Munich Re, Scor's €3% subordinated bond looks expensive, hence our Underweight recommendation. We think that Scor's €3.875% and €3.25% trade wide relative to similar bonds issued by Scor's peers, hence our Overweight recommendation.

We have an Overweight recommendation on Scor's $5.25% RT1 given the reinsurer's strong capital position, the RT1's distance to trigger (Solvency II of 215% and 203% at year-end 2018 and 3Q19, respectively) and its relatively wide spread level relative to RT1 bonds.

Upside risks
- Increasing interest rates would strengthen Scor's earnings given its exposure to the Life line of business
- A better balance between the P&C and Life line of business would be credit positive as it would increase the reinsurer's risk diversification

Downside risks
A long period of low interest rate environment would weaken the quality of its earnings given the importance of the Life segment
An aggressive capital management would likely deteriorate Scor's risk profile

SES SA (SESGFP)

We view senior bonds and hybrids as attractive at current levels vs. peers given the potential for an improvement in fundamentals, chiefly driven by the company's intention to de-leverage the balance sheet. This could result in tighter spreads, in our view.

Risks to the upside: i) disposals/inorganic deleveraging measures, ii) greater than expected take-up of new satellite launches, iii) a reduction in the dividend, iv) C-band monetisation.

Risks to the downside: i) the potential for revenue declines in the Video segment in the face of OTT competition, ii) greater than anticipated pressure in the data services and enterprise segments, iii) launch failures/delays to upcoming satellites, iv) a change to a more aggressive financial policy, v) a failure to monetise C-Band.

SES GLOBAL (SESGFP)

We view senior bonds and hybrids as attractive at current levels vs. peers given the potential for an improvement in fundamentals, chiefly driven by the company's intention to de-leverage the balance sheet. This could result in tighter spreads, in our view.

Risks to the upside: i) disposals/inorganic deleveraging measures, ii) greater than expected take-up of new satellite launches, iii) a reduction in the dividend, iv) C-band monetisation.

Risks to the downside: i) the potential for revenue declines in the Video segment in the face of OTT competition, ii) greater than anticipated pressure in the data services and enterprise segments, iii) launch failures/delays to upcoming satellites, iv) a change to a more aggressive financial policy, v) a failure to monetise C-Band.

Smurfit Kappa (SKGID)

Smurfit has had solid cash flow generation in recent years, especially in 2018, which has bolstered financial flexibility for bolt-on acquisitions. Spreads remain attractive given Smurfit's stronger credit profile and cash flow generation. The risks are: i) large capex program over the next few years hampering cash flow generation, ii) falling box prices following forecasted fall in containerboard prices, iii) a deterioration in the European demand/pricing environment for paper based packaging.

We believe that Smurfit Kappa's senior unsecured bonds have attractive relative value compared to P&P peers.

We believe that Smurfit Kappa's 5Y CDS trades too wide compared to peers.

Smurfit Kappa Group (SKGID)

Smurfit has had solid cash flow generation in recent years, especially in 2018, which has bolstered financial flexibility for bolt-on acquisitions. Spreads remain attractive given Smurfit's stronger credit profile and cash flow generation. The risks are: i) large capex program over the next few years hampering cash flow generation, ii) falling box prices following forecasted fall in containerboard prices, iii) a deterioration in the European demand/pricing environment for paper based packaging.

We believe that Smurfit Kappa's senior unsecured bonds have attractive relative value compared to P&P peers.

We believe that Smurfit Kappa's 5Y CDS trades too wide compared to peers.

Sodexo SA (SWFP)

Sodexo's primary food services business appears relatively underinvested as it has adopted an integrated services approach and over the past years increased its focus on facilities management services. The latest targets, presented in the September 2018 Capital Markets Day indicate a slow recovery, while as we expect productivity gains to be reinvested and capex to rise, we do not expect a material improvement in either margins or FCF in the medium-term. Management aims to reach an adj. EBIT margin of over 6.0% after achieving a 3.0% organic growth by FY20. This implies that profitability will remain sub-FY17 levels and thus, substantially lower than Compass (FY20E: 7.5%) for at least the next two years.

As we do not expect a change in the current financial policy, we think a rating action is unlikely in the medium term. We believe Sodexo 2.5% €'26s and 0.75% €'27s trade tight compared to similarly rated peers. We view the rest of the bonds under our coverage as fairly priced at the current levels.

Upside risks: i) faster than anticipated growth recovery in North America, ii) GPO expansion closer to Compass levels iii) higher interest rates in key Benefits & Rewards markets (e.g. Brazil, Turkey).

Downside risks: i) sustained execution challenges in North America, ii) deterioration in the Brazilian macro environment and iii) large debt funded M&A transaction.

Solvay (SOLBBB)

We recommend an OW on Solvay's senior notes driven by relative value, balanced portfolio, and transition to focus on cash generation and de-leveraging with portfolio now in place. The downside risk to our thesis is further deterioration in O&G markets, electronics markets, or aerospace markets, as well as economic slowdown.

Solvay's senior notes trade wide to the overall market and have historically traded in line with the overall market. We believe that these bonds should trade in line with the overall market.

We are Neutral the CDS as it appears fairly valued and we see no near-term significant risks to Solvay's credit profile.

Solvay Finance (SOLBBB)

We recommend an OW on Solvay's 5.118% Hybrids and 5.425% Hybrids driven by relative value, near-term catalysts with moderate near-term risks, and transition to focus on cash generation and de-leveraging with portfolio now in place.
Solvay's 5.118% Hybrids and 5.425% Hybrids trade wide to specialty chemical peers and we think the above catalysts should bring them closer in line.

We recommend a Marketweight on Solvay's 4.119% Hybrids on the expectation that they redeem the bonds at their first call date in May 2019.

Risks are Fx volatility and potential oversupply in soda ash capacity.

StanChart (STANLN)

With the problems in its major market of Hong Kong, we think SC is going through a tougher period that will weigh on its credit profile, as Hong Kong tips into recession. Cash bonds look quite expensive to us in the context of CDS and other UK peers. Though the $7.014% legacy T1s lack a Capital Disqualification Event clause, recent developments with Aviva legacy perpetuals have suggested that there may be an option to cancel these securities which potentially has implications for other similar UK securities - against this background, it's harder to see them perform, particularly given their already high cash prices (UW). Opco CDS levels look fair in the context of few deliverables. We find valuation is typically stretched versus similarly-rated UK peers, particularly given recent pressure on earnings - this is reflected in our Underweights on Tier 2 and senior debt. However, the $4.05% senior bonds look closer to fairly valued (Marketweight).
We see downside risks from the uncertainty emanating from Hong Kong, China and India. Risk to the upside stems from less near term pressure than expected on the bank's core earnings.

Telecom Italia (TITIM)

We have a MW rating on the majority of TI bonds and a Neutral in 5y CDS. Given improving FCF profile and potential inorganic debt reduction measures we think levels, at a premium to similarly rated peers are justified.

We have an OW on the TITIM 2.75% €'25s, and 3.625%/4.0% €'24s. This reflects our view that the roll-down, carry and risk-reward are attractive at this point of the curve to benefit from a potential debt reduction guidance upgrade.

Downside risks are: i) further weakening in EURBRL resulting a further weakening in credit metrics. ii) a resumption of more intense competition in Italy, iii) Political instability in Italy, iv) a more shareholder friendly financial policy v) a potential majority network sale driven by Elliott and vi) continued boardroom volatility.

Upside risks are: i) credit-friendly measures from disposals, saving shares conversion or other, ii) a stronger-than-expected improvement in domestic operating performance, iii) a strengthening of the BRL vs. the EUR, and iv) a government stake in excess of 20% which could support the rating.

Unipol Gruppo (UNIIM)

We are Overweight Unipol's senior bonds as we believe they trade cheap and offer interesting investment opportunities considering their risk/return profiles.

Upside risks:
- Continuing strong profitability in both Life and P&C at the UnipolSai level
- Reducing exposure and improving the quality of the acquired €1.3bn in non-performing loans from BPER
- Increasing asset allocation towards government bonds outside of Italy

Downside risks:
- An aggressive dividend policy at both UnipolSai and Unipol leading to declining capital positions
- The possibility of no dividend payment from UnipolSai to Unipol leading to liquidity concern at UnipolSai level
- A weakening of underwriting profitability level at UnipolSai level

United Group (ADRBID)

We have a Marketweight rating on the senior secured notes (SSNs, United Group BV 4.875% €'24, 4.375% €'22). This reflects fair valuations vs. peers (other HY cable and telco senior secured bonds) when accounting for United Group's high leverage and EM exposure.

Upside risks: i) Continued execution of the business plan with synergy realisation and organic growth, ii) a slower pace of acquisitions than we anticipate, iii) a change to a more conservative financial policy and iv) further business diversification without a material increase in leverage.

Downside risks: i) A deteriorating outlook in any of its core markets, ii) a faster pace of acquisitions than we anticipate, iii) a change to a more aggressive financial policy, iv) further business concentration without a material decrease in leverage and v) a material deterioration in the Serbian dinar vs. the Euro.

Valeo SA (FRFP)

We think Valeo spreads may widen relative to peers. Valeo bonds trade tight, in our view, relative to comparably-rated credits. We think Peugeot and VW should both trade inside Valeo, given their far superior credit profiles. In addition, we note the significantly higher ratings at VW (A3 / BBB+), and think they further underpin our assertion that Valeo trades too tight.

We think Valeo bonds should trade at a comparable level to those of auto supplier Schaeffler, implying up to 100bps of downside in Valeo bonds from current levels. We further think Faurecia credit fundamentals are in many ways superior to those of Valeo. Whilst Faurecia's high-yield ratings will likely constrain relative spread performance (not least because Valeo bonds are eligible for the ECB's recently restarted CSPP), we again think its bonds offer superior return for the fundamental credit risk on offer, relative to Valeo bonds. We think Valeo CDS trades too tight relative to peers, and may widen further if concerns around a potential ratings downgrade become widespread.

Several factors may strengthen/weaken Valeo's credit profile: greater/weaker volume demand, more/less pricing power, higher/lower costs. M&A may have a positive or negative effect, depending on the terms of any deal.

Vodafone Group (VOD)

We have a Marketweight rating on the majority of the Vodafone senior bonds under coverage and the 7% NC USD 29 hybrid. We are constructive on the medium term outlook for Vodafone but believe this is broadly priced-in to these securities in particular vs. peer Telefonica.

We have an Overweight rating on the EUR'31s, EUR'37s and the rest of the hybrids. We have a Sell Protection in 5y CDS. We think execution of tower co. monetisation, non-core asset sales and improving earnings trajectory could be a catalyst to tightening vs. peers.

Upside risks: i) execution on tower co. sale and other non-core assets, ii) stronger than expected growth/recovery in key markets such as Germany, Italy and Spain, iii) an even more conservative financial policy and iv) favourable currency movements in key markets such as South Africa and the UK.

Downside risks: i) failure to execute on tower co. sale, ii) rising competitive pressure in key markets such as Germany, Italy and Spain, iii) a more aggressive financial policy and iv) adverse currency movements in key markets such as South Africa.

Volkswagen Bank GmbH (VW)

We think VW credit spreads will be predominantly driven by market sentiment in the near future, driven by macro events. We are Overweight VW's 2.625% '24, 1.125% '24, 1.25% '24 and 2.625% '25 senior bonds, as well as the 3.750%, 2.500%, 2.700%, 5.125% and 3.375% hybrid bonds. On balance, we prefer subordination to duration in the VW complex. We are comfortable with this level of duration at both layers of the capital structure, because we think credit fundamentals should remain strong over the medium term. We have a Neutral rating on its 5y CDS (93bp), since we do not expect it to perform materially differently from the rest of the sector in the near term.

While the company is fundamentally strong, with substantial cash generation capacity and geographic diversification, the industry faces many challenges: changing regulations, competition, disruptive technology and shifting consumer sentiment and behaviour.

Downside risks are a sudden and substantial drop in vehicle demand, further emissions legislation, substantial additional Dieselgate liabilities, strategic mistakes (especially with respect to electric vehicle development).

Volkswagen Financial (VW)

We think VW credit spreads will be predominantly driven by market sentiment in the near future, driven by macro events. We are Overweight VW's 2.625% '24, 1.125% '24, 1.25% '24 and 2.625% '25 senior bonds, as well as the 3.750%, 2.500%, 2.700%, 5.125% and 3.375% hybrid bonds. On balance, we prefer subordination to duration in the VW complex. We are comfortable with this level of duration at both layers of the capital structure, because we think credit fundamentals should remain strong over the medium term. We have a Neutral rating on its 5y CDS (93bp), since we do not expect it to perform materially differently from the rest of the sector in the near term.

While the company is fundamentally strong, with substantial cash generation capacity and geographic diversification, the industry faces many challenges: changing regulations, competition, disruptive technology and shifting consumer sentiment and behaviour.

Downside risks are a sudden and substantial drop in vehicle demand, further emissions legislation, substantial additional Dieselgate liabilities, strategic mistakes (especially with respect to electric vehicle development).

Volkswagen Leasing (VW)

We think VW credit spreads will be predominantly driven by market sentiment in the near future, driven by macro events. We are Overweight VW's 2.625% '24, 1.125% '24, 1.25% '24 and 2.625% '25 senior bonds, as well as the 3.750%, 2.500%, 2.700%, 5.125% and 3.375% hybrid bonds. On balance, we prefer subordination to duration in the VW complex. We are comfortable with this level of duration at both layers of the capital structure, because we think credit fundamentals should remain strong over the medium term. We have a Neutral rating on its 5y CDS (93bp), since we do not expect it to perform materially differently from the rest of the sector in the near term.

While the company is fundamentally strong, with substantial cash generation capacity and geographic diversification, the industry faces many challenges: changing regulations, competition, disruptive technology and shifting consumer sentiment and behaviour.

Downside risks are a sudden and substantial drop in vehicle demand, further emissions legislation, substantial additional Dieselgate liabilities, strategic mistakes (especially with respect to electric vehicle development).

VolkswagenImmobilien (VW)

HOLD

VW Intl Fin NV (VW)

We think VW credit spreads will be predominantly driven by market sentiment in the near future, driven by macro events. We are Overweight VW's 2.625% '24, 1.125% '24, 1.25% '24 and 2.625% '25 senior bonds, as well as the 3.750%, 2.500%, 2.700%, 5.125% and 3.375% hybrid bonds. On balance, we prefer subordination to duration in the VW complex. We are comfortable with this level of duration at both layers of the capital structure, because we think credit fundamentals should remain strong over the medium term. We have a Neutral rating on its 5y CDS (93bp), since we do not expect it to perform materially differently from the rest of the sector in the near term.

While the company is fundamentally strong, with substantial cash generation capacity and geographic diversification, the industry faces many challenges: changing regulations, competition, disruptive technology and shifting consumer sentiment and behaviour.

Downside risks are a sudden and substantial drop in vehicle demand, further emissions legislation, substantial additional Dieselgate liabilities, strategic mistakes (especially with respect to electric vehicle development).

Analyst Certification

We, Phillip Bagguley, Alexia Mignen, Calum Emslie, Christopher Ryan, CFA, Haris Papadopoulos, Nick Macdonald, CFA, Philippe Picagne and Richard Thomas, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Special Disclosures

BofA Securities is currently acting as financial adviser to Vodafone Hutchison Australia Pty Ltd in connection with its proposed merger of equals with TPG Telecom Limited, which was announced on 30 August 2018. The proposed transaction is subject to approval by shareholders of TPG Telecom Limited. This research report is not intended to (1) provide voting advice, (2) serve as an endorsement of the proposed transaction, or (3) result in the procurement, withholding or revocation of a proxy

BofA Securities is currently acting as financial advisor to Telecom Italia SpA/Milano in connection with its proposed network partnership agreement through equal stakes in Infrastrutture Wireless Italiane SpA (INWIT), which was announced on July 26, 2019.

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Security/Loan pricing

Air France-KLM / AFFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
3.875, Senior, EUR, 2021:B	600	18-JUN-2021	NR/NR/NR			121.95	02-Mar-2020	.41	122
6.25, Junior Subordinated, EUR, 2049:B	600	25-Mar-2049	NR/NR/NR	01-Oct-2020	100.00	102.13	02-Mar-2020	2.44	309
3.75, Senior, EUR, 2022:B		12-Oct-2022	NR/NR/NR	12-Jul-2022	100.00	106.12	02-Mar-2020	1.10	195
1.875%, Senior, EUR, 2025:B	750	16-Jan-2025	NR/NR/NR	16-Oct-2024	100.00	95.40	02-Mar-2020	2.90	373

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Altice Europe / ATCNA

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
6.25, Senior Unsecured, EUR, 2025:B	750	15-FEB-2025	Caa1/B-/NR	07-Mar-2020	103.13	103.28	29-Feb-2020	4.25	489
7.625, Senior Unsecured, USD, 2025:B	1,480	15-FEB-2025	Caa1/B-/NR	07-Mar-2020	103.81	103.95	29-Feb-2020	1.24	-20
8, Senior, EUR, 2027:B	1,400	15-MAY-2027	Caa1/B-/NR	06-Mar-2020		111.55	29-Feb-2020	4.21	499
10.5, Senior, USD, 2027:B	1,600	15-MAY-2027	Caa1/B-/NR	06-Mar-2020	101.00	114.25	29-Feb-2020	5.76	487

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Altice France / SFRFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
7.375, Senior, USD, 2026:B	5,190	01-MAY-2026	B2/B/NR	01-May-2021	103.69	104.87	29-Feb-2020	6.02	515
5.875, Secured, EUR, 2027	1,000	01-FEB-2027	B2/B/NR	01-Feb-2022	104.41	107.57	29-Feb-2020	3.74	453
8.125, Secured, EUR, 2027	1,750	01-FEB-2027	B2/B/NR	01-Feb-2022	106.09	108.98	29-Feb-2020	5.69	481
Senior Unsecured, EUR, Y5:CDS							29-Feb-2020		251
3.375, Secured, EUR, 2028:B	1,000	15-JAN-2028	B2/B/NR	15-Sep-2022	101.69	97.14	29-Feb-2020	3.80	448
5.5, Secured, USD, 2028:B	1,100	15-JAN-2028	B2/B/NR	15-Sep-2022	102.75	100.00	29-Feb-2020	5.50	456
2.125, Secured, EUR, 2025:B		15-Feb-2025				94.75	29-Feb-2020		

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

BAT Capital Corp / BATSLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
4.54, Senior, USD, 2047:B	2,498	15-AUG-2047	Baa2/BBB+/BBBu	104.09	29-Feb-2020	4.28	258
3.557, Senior, USD, 2027:B	3,493	15-AUG-2027	Baa2/BBB+/BBBu	104.90	29-Feb-2020	2.80	175
3.222, Senior, USD, 2024:B	2,477	15-AUG-2024	Baa2/BBB+/BBBu	105.02	29-Feb-2020	1.99	107
2.764, Senior, USD, 2022:B	2,250	15-AUG-2022	Baa2/BBB+/BBBu	102.69	29-Feb-2020	1.61	73
4.39, Senior, USD, 2037:B	2,500	15-AUG-2037	Baa2/BBB+/BBBu	105.94	29-Feb-2020	3.91	252
1.125, Senior, EUR, 2023:B	750	16-NOV-2023	Baa2/BBB+/BBBu	102.75	29-Feb-2020	.34	114
0.171, Senior, EUR, 2021:B		16-AUG-2021	Baa2/BBB+/BBBu	100.08	02-Mar-2020		
3.398, Senior, USD, 2021:B		15-AUG-2022	Baa2/BBB+/BBBu	100.98	02-Mar-2020	2.97	74

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BAT International Finance PLC / BATSLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
4.875, Senior, EUR, 2021:B	650	24-FEB-2021	Baa2/BBB+/BBBu	104.87	29-Feb-2020	-.07	65
3.625, Senior, EUR, 2021:B	600	09-NOV-2021	Baa2/BBB+/BBBu	106.31	29-Feb-2020	-.10	66
1, Senior, EUR, 2022:B	600	23-MAY-2022	Baa2/BBB+/BBBu	101.91	29-Feb-2020	.04	81
3.25, Senior, USD, 2022:B	900	07-JUN-2022	Baa2/BBB+/BBBu	103.42	29-Feb-2020	1.70	82
3.5, Senior, USD, 2022:B	500	15-JUN-2022	Baa2/BBB+/BBBu	103.98	29-Feb-2020	1.72	84
2.375, Senior, EUR, 2023:B	750	19-JAN-2023	Baa2/BBB+/BBBu	106.43	29-Feb-2020	.14	92
.875, Senior, EUR, 2023:B	800	13-OCT-2023	Baa2/BBB+/BBBu	101.99	29-Feb-2020	.28	108
2.75, Senior, EUR, 2025:B	650	25-MAR-2025	Baa2/BBB+/BBBu	110.96	29-Feb-2020	.55	133
3.95, Senior, USD, 2025:B	1,500	15-JUN-2025	Baa2/BBB+/BBBu	108.09	29-Feb-2020	2.32	134
1.25, Senior, EUR, 2027:B	800	13-MAR-2027	Baa2/BBB+/BBBu	101.56	29-Feb-2020	1.01	173
3.125, Senior, EUR, 2029:B	600	06-MAR-2029	Baa2/BBB+/BBBu	115.76	29-Feb-2020	1.22	187
2.25, Senior, EUR, 2030:B	1,250	16-JAN-2030	Baa2/BBB+/BBBu	105.56	29-Feb-2020	1.62	224
2, Senior, EUR, 2045:B	600	13-MAR-2045	Baa2/BBB+/BBBu	96.74	29-Feb-2020	2.17	234

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British Telecommunications PLC / BRITEL

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
8.625, Senior, GBP, 2020:B	300	26-MAR-2020	Baa2/BBB/BBB	107.07	02-Mar-2020	1.37	70
5.75, Senior, GBP, 2028:B	600	07-DEC-2028	Baa2/BBB/BBB	128.95	29-Feb-2020	2.10	172
6.375, Senior, GBP, 2037:B	500	23-JUN-2037	Baa2/BBB/BBB	148.84	29-Feb-2020	2.78	192
9.625, Senior, USD, 2030:B	2,670	15-DEC-2030	Baa2/BBB/BBB	158.46	29-Feb-2020	3.18	204
Senior Unsecured,EUR,Y5,CDS:CDS					29-Feb-2020		85
.625, Senior, EUR, 2021:B	1,500	10-MAR-2021	Baa2/BBB/BBB	100.79	29-Feb-2020	-.14	58
1.75, Senior, EUR, 2026:B	1,300	10-MAR-2026	Baa2/BBB/BBB	107.37	29-Feb-2020	.51	125
1.125, Senior, EUR, 2023:B	1,100	10-MAR-2023	Baa2/BBB/BBB	103.39	29-Feb-2020	.01	79
1, Senior, EUR, 2024:B	575	23-JUN-2024	Baa2/BBB/BBB	103.45	29-Feb-2020	.15	94
.5, Senior, EUR, 2022:B	575	23-JUN-2022	Baa2/BBB/BBB	101.34	29-Feb-2020	-.15	63
1.5, Senior, EUR, 2027:B	1,150	23-JUN-2027	Baa2/BBB/BBB	105.94	29-Feb-2020	.64	135
3.625, Senior, GBP, 2047:B	250	21-NOV-2047	Baa2/BBB/BBB	111.68	29-Feb-2020	3.00	201
3.125, Senior, GBP, 2031:B	500	21-NOV-2031	Baa2/BBB/BBB	107.36	29-Feb-2020	2.38	183
1, Senior, EUR, 2024:B	1,100	21-NOV-2024	Baa2/BBB/BBB	103.23	29-Feb-2020	.27	106
BRITEL 1.874 08/18/80	500	18-Aug-2080	Ba1/BB+/BB+	97.06	29-Feb-2020	2.65	340

For pricing information refer to "Other Important Disclosures" below.
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CaixaBank / CABKSM

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
6.75, , EUR, Perp/2049:B	1,000	31-DEC-2049	Ba3u/BB/NR	111.13	29-Feb-2020	3.92	473
5.25, , EUR, Perp/2014:B	1,250	31-DEC-2049	Ba3u/BB/NR	102.43	29-Feb-2020	4.28	445
3.5, Subordinated, EUR, 2027:B	1,000	15-FEB-2027	Ba1/BBB-/BBB	104.99	29-Feb-2020	.92	170
2.75, Subordinated, EUR, 2028:B	1,000	14-JUL-2028	Ba1/BBB-/BBB	104.72	29-Feb-2020	1.31	210
1.125, Senior, EUR, 2023:B	1,250	12-JAN-2023	Baa3/BBB/BBB+	101.90	29-Feb-2020	.46	124
1.75, Senior, EUR, 2023:B	1,000	24-OCT-2023	Baa3/BBB/BBB+	104.07	29-Feb-2020	.62	142
2.375, Senior, EUR, 2024:B	1,000	01-FEB-2024	Baa3/BBB/BBB+	106.46	29-Feb-2020	.70	150

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Carrefour / CAFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
.75, Senior, EUR, 2024:B	750	26-APR-2024	NR/BBB/WD	101.89	02-Mar-2020	.26	106
4, Senior, EUR, 2020:B	802	09-APR-2020	NR/BBB/WD	100.41	02-Mar-2020	.24	84
3.875, Senior, EUR, 2021:B	871	25-APR-2021	NR/BBB/WD	104.66	02-Mar-2020	-.17	56
1.75, Senior, EUR, 2022:B	1,000	15-JUL-2022	NR/BBB/WD	103.72	02-Mar-2020	.00	78
1.25, Senior, EUR, 2025:B	750	03-JUN-2025	NR/BBB/WD	104.69	02-Mar-2020	.30	108
1.75, Senior, EUR,2026:B	500	04-MAY-2026	NR/BBB/WD	107.52	02-Mar-2020	.46	121
.875, Senior, EUR, 2023:B	500	12-JUN-2023	NR/BBB/WD	102.33	02-Mar-2020	.11	89
1, Senior, EUR, 2027:B	500	17-MAY-2027	NR/BBB/WD	102.91	02-Mar-2020	.57	129
Senior Unsecured, EUR, Y5, CDS:CDS					02-Mar-2020		69

For pricing information refer to "Other Important Disclosures" below.

Carrefour / CAFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Codere Finance 2 Luxembourg / CDRSM

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
6.75, Secured, EUR, 2021:B	500	01-NOV-2021	B3/B-/NR	30-Mar-2020	101.69	91.89	02-Mar-2020	12.23	1,296
7.625, Secured, USD, 2021:B	300	01-NOV-2021	B3/B-/NR	30-Mar-2020	101.91	91.25	02-Mar-2020	13.63	1,247

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Compass Group Finance Netherlands BV / CPGLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1.5, Senior, EUR, 2028:B	500	05-SEP-2028	A3/A/A-	109.80	29-Feb-2020	.30	97

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Compass Group International BV / CPGLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
.625, Senior, EUR, 2024:B	750	03-JUL-2024	A3/A/A-	102.65	29-Feb-2020	-.02	77

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Compass Group plc / CPGLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1.875, Senior, EUR, 2023:B	500	27-JAN-2023	A3/A/A-u	105.71	29-Feb-2020	-.08	70
Senior Unsecured, EUR, Y5:CDS					29-Feb-2020		32

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Daimler International Finance BV / DAIGR

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1, Senior, EUR, 2025:B	1,250	11-NOV-2025	A3/A-/A-	102.74	29-Feb-2020	.51	127
1.5, Senior, EUR, 2027:B	500	09-FEB-2027	A3/A-/A-	105.68	29-Feb-2020	.66	138
.875, Senior, EUR, 2024:B	1,000	09-APR-2024	A3/A-/A-	102.06	29-Feb-2020	.37	116
2, Senior, GBP, 2023:B	500	04-SEP-2023	A3/A-/A-	101.89	29-Feb-2020	1.44	113
.625, Senior, EUR, 2023:B	1,500	27-FEB-2023	A3/A-/A-	101.31	29-Feb-2020	.19	97
1.375, Senior, EUR, 2026:B	1,000	26-JUN-2026	A3/A-/A-	104.61	29-Feb-2020	.63	137

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Daimler AG / DAIGR

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
2.375, Senior, EUR, 2023:B	500	08-MAR-2023	A3/A-/A-	107.01	29-Feb-2020	.05	84
1.875, Senior, EUR, 2024:B	500	08-JUL-2024	A3/A-/A-	106.84	29-Feb-2020	.29	108
1.4, Senior, EUR, 2024:B	1,000	03-JUL-2037	A3/A-/A-	104.53	29-Feb-2020	.22	102
1.5, Senior, EUR, 2026:B	1,000	09-MAR-2026	A3/A-/A-	106.82	29-Feb-2020	.35	110
.75, Senior, EUR, 2023:B	750	11-MAY-2023	A3/A-/A-	102.31	29-Feb-2020	.03	82
1.375, Senior, EUR, 2028:B	1,250	11-MAY-2028	A3/A-/A-	105.84	29-Feb-2020	.64	131
.85, Senior, EUR, 2025:B	1,250	28-FEB-2025	A3/A-/A-	102.09	29-Feb-2020	.43	121
1.5, Senior, EUR, 2029:B	1,500	03-JUL-2029	A3/A-/A-	104.74	29-Feb-2020	.97	160
2.125, Senior, EUR, 2037:B	1,300	03-JUL-2037	A3/A-/A-	110.05	29-Feb-2020	1.46	181
1, Senior, EUR, 2027:B	1,000	15-NOV-2027	A3/A-/A-	102.42	29-Feb-2020	.68	137
0.022, Senior, EUR, 2024:B		03-JUL-2024	A3/A-/A-	99.74	02-Mar-2020	.08	
Senior Unsecured, EUR, Y5, CDS:CDS	1,000		A3/A-/A-		29-Feb-2020	.52	87

For pricing information refer to "Other Important Disclosures" below.

Daimler AG / DAIGR

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Deutsche Bank / DB

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5, Lower Tier 2, EUR, 2020:B	1,150	24-JUN-2020	NR/BB+/BBB-	103.35	02-Mar-2020	1.58	224
4.296, Lower Tier 2, USD, 2028:B	1,500	24-MAY-2028	Ba2/BB+/BBB-	96.60	29-Feb-2020	4.17	329
2.75, Lower Tier 2, EUR, 2025:B	1,250	17-FEB-2025	Ba2/BB+/BBB-	101.82	29-Feb-2020	2.36	312
4.5, Lower Tier 2, USD, 2025:B	1,500	01-APR-2025	Ba2/BB+/BBB-	100.22	29-Feb-2020	4.45	349
4.875, Subordinated, USD, 2032:B	1,000	01-DEC-2032	Ba2/BB+/BBB-	95.20	29-Feb-2020	4.95	377
1.125, Senior, EUR, 2025:B	971	17-MAR-2025	Baa3/BBB-/BBB	100.26	29-Feb-2020	1.07	185
4.25, Senior, USD, 2021:B	4,500	14-OCT-2021	Baa3/BBB-/BBB	104.23	02-Mar-2020	3.21	150
1.75, Senior, EUR, 2028:B	856	17-JAN-2028	Baa3/BBB-/BBB	101.97	29-Feb-2020	1.48	216
3.375, Senior, USD, 2021:B	854	12-MAY-2021	Baa3/BBB-/BBB	101.52	29-Feb-2020	2.08	103
1.125, Senior, EUR, 2023:B	1,000	30-AUG-2023	A3/BBB+/BBB+	103.24	29-Feb-2020	.20	100
3.3, Senior, USD, 2022:B	1,100	16-NOV-2022	Baa3/BBB-/BBB	102.67	29-Feb-2020	2.28	141
3.15, Senior, USD, 2021:B	1,500	22-JAN-2021	Baa3/BBB-/BBB	100.90	29-Feb-2020	2.13	99
4.25, Senior, USD, 2021:B	1,000	04-FEB-2021	Baa3/BBB-/BBB	101.88	29-Feb-2020	2.18	107
6, Tier1, EUR, Perp/2049:B	1,750	31-MAY-2049	B1/B+/B+	93.56	29-Feb-2020	4.79	488
6.25, Tier1, USD, Perp/2049:B	1,250	29-MAY-2049	B1/B+/B+	94.00	29-Feb-2020	5.66	391
7.125, Tier1, GBP, Perp/2049:B	650	30-APR-2049	B1/B+/B+	97.13	29-Feb-2020	5.65	462
7.5, Junior Subordinated, USD, 2025:B	1,500	29-DEC-2049	B1/B+/B+	99.00	29-Feb-2020	6.44	537
Subordinated, EUR, Y5:CDS	1,132				02-Mar-2020	2.33	143
Senior Unsecured, EUR, Y5:CDS	400				02-Mar-2020	4.45	269
1.25, Senior, EUR, 2021:B	1,807	08-SEP-2021	Baa3/BBB-/BBB	101.30	29-Feb-2020	.39	115
1.5, Senior, EUR, 2022:B	1,750	20-JAN-2022	Baa3/BBB-/BBB	101.65	29-Feb-2020	.62	139
.375, Senior, EUR, 2021:B	1,250	18-Jan-2021	Baa3/BBB-/BBB	100.14	29-Feb-2020	.22	93
3.95, , USD, 2023:B	1,000	27-FEB-2023	Baa3/BBB-/BBB	104.12	29-Feb-2020	2.51	164

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Diversey / DIVRSY

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
5.625, Senior, EUR, 2025:B	450	15-AUG-2025	Caa2/B-/NR	15-Aug-2020	102.81	94.09	29-Feb-2020	6.94	771

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Edenred / EDENFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1.375, Senior, EUR, 2025:B	500	10-MAR-2025	NR/BBB+/NR	106.02	29-Feb-2020	.11	90
1.875, Senior, EUR, 2027:B	500	30-MAR-2027	NR/BBB+/NR	110.01	29-Feb-2020	.44	115
1.875, Senior, EUR, 2026:B	500	06-MAR-2026	NR/BBB+/NR	109.22	29-Feb-2020	.26	102
3.75%, Senior, EUR, 2022:B		23-May-2022	NR/BBB+/NR	108.96	02-Mar-2020		

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Electricite de France SA / EDF

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
4.125, Subordinated, EUR, Perp/2022:B	662	22-Jan-2022	Baa3/BB/BBB	106.46	02-Mar-2020	.66	149
4, Junior Subordinated, EUR, Perp/2049:B	1,250	31-DEC-2049	Baa3/BB/BBB	107.78	02-Mar-2020	2.19	303
5.375, Subordinated, EUR, Perp/2025:B	1,250	29-DEC-2049	Baa3/BB/BBB	114.17	02-Mar-2020	2.29	313
5, Subordinated, EUR, Perp/2026:B	1,000	22-Jan-2026	Baa3/BB/BBB	114.34	02-Mar-2020	2.36	317
6, Junior-Subordinated, GBP, Perp/2026:B	1,250	29-DEC-2049	Baa3/BB/BBB	111.10	02-Mar-2020	3.88	364
5.25, Subordinated, USD, Perp/2023:B	3,000	29-DEC-2049	Baa3/BB/BBB	103.30	02-Mar-2020	4.03	323
5.625, Junior Subordinated, USD, 2024:B	1,500	22-Jan-2024	Baa3/BB/BBB	105.72	02-Mar-2020	4.02	317
3.875, Senior, EUR, 2022:B	2,000	18-JAN-2022	A3/A-/A-	107.78	02-Mar-2020	-.25	61
2.75, Senior, EUR, 2023:B	2,000	10-MAR-2023	A3/A-/A-	108.54	02-Mar-2020	-.07	72
4.625, Senior, EUR, 2024:B	2,492	11-SEP-2024	A3/A-/A-	121.17	02-Mar-2020	-.04	75
4, Senior, EUR, 2025:B	750	12-NOV-2025	A3/A-/A-	122.52	02-Mar-2020	.04	80
1, Senior, EUR, 2026:B	1,750	13-OCT-2026	A3/A-/A-	106.01	02-Mar-2020	.05	79
4.125, Senior, EUR, 2027:B	1,000	25-MAR-2027	A3/A-/A-	127.75	02-Mar-2020	.17	88
4.625, Senior, EUR, 2030:B	1,461	26-APR-2030	A3/A-/A-	140.90	02-Mar-2020	.49	109
5.625, Senior, EUR, 2033:B	850	21-FEB-2033	A3/A-/A-	158.61	02-Mar-2020	.84	134
1.875, Senior, EUR, 2036:B	750	13-OCT-2036	A3/A-/A-	112.84	02-Mar-2020	1.02	140
4.5, Senior, EUR, 2040:B	750	12-NOV-2040	A3/A-/A-	156.61	02-Mar-2020	1.35	161
6.25, Senior, GBP, 2028:B	500	30-MAY-2028	A3/A-/A-	135.24	02-Mar-2020	1.64	130
5.875, Senior, GBP, 2031:B	650	18-JUL-2031	A3/A-/A-	140.07	02-Mar-2020	1.92	138
6.125, Senior, GBP, 2034:B	1,500	02-JUN-2034	A3/A-/A-	147.76	02-Mar-2020	2.19	147
5.5, Senior, GBP, 2037:B	500	27-MAR-2037	A3/A-/A-	143.68	02-Mar-2020	2.36	151
5.5, Senior, GBP, 2041:B	1,500	17-OCT-2041	A3/A-/A-	148.16	02-Mar-2020	2.57	161
3.625, Senior, USD, 2025:B	1,250	13-OCT-2025	A3/A-/A-	109.54	02-Mar-2020	1.75	77
4.5, Senior, USD, 2028:B	1,800	21-SEP-2028	A3/A-/A-	116.31	02-Mar-2020	2.33	124
4.875, Senior, USD, 2038:B	650	21-SEP-2038	A3/A-/A-	129.84	02-Mar-2020	2.77	132
6.95, Senior, USD, 2039:B	1,750	26-JAN-2039	A3/A-/A-	158.66	02-Mar-2020	2.90	141
5.6, Senior, USD, 2040:B	850	27-JAN-2040	A3/A-/A-	140.86	02-Mar-2020	2.89	135
4.875, Senior, USD, 2044:B	1,000	22-JAN-2044	A3/A-/A-	129.23	02-Mar-2020	3.13	145
4.95, Senior, USD, 2045:B	1,150	13-OCT-2045	A3/A-/A-	128.04	02-Mar-2020	3.30	160
5, Senior, USD, 2048:B	1,300	21-SEP-2048	A3/A-/A-	130.00	02-Mar-2020	3.34	165
4.99, Senior, USD, 2056:B		21-OCT-2056	A3/A-/A-	128.73	02-Mar-2020	3.55	185
5.875, Junior-Subordinated, GBP, Perp/2049:B	750	22-Jan-2049	Baa3/BB/BBB	112.36	02-Mar-2020	3.83	346
Senior Unsecured, EUR, Y5, CDS:CDS					02-Mar-2020		49

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Faurecia SA / EOFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
2.625, Senior, EUR, 2025:B	700	15-JUN-2025	Ba1/BB+/BB+	15-Jun-2021	101.31	100.05	29-Feb-2020	2.58	332
3.125, Senior, EUR, 2026:B	500	15-JUN-2026	Ba1/BB+/BB+	15-Jun-2022	101.56	100.20	29-Feb-2020	3.08	387
2.375, Senior, EUR, 2027	700	15-JUN-2027	Ba1/BB+/BB+	15-Jun-2023	101.19	96.24	29-Feb-2020	2.95	366
Faurecia UnSec EUR 5yr CDS							29-Feb-2020		182

For pricing information refer to "Other Important Disclosures" below.

*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Gecina / GFCFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1.75, Senior, EUR, 2021:B	186	30-JUL-2021	A3/A-/NR	102.12	02-Mar-2020	-.08	72
2.875, Senior, EUR, 2023:B	210	30-MAY-2023	A3/A-/NR	109.76	02-Mar-2020	-.12	72
2, Senior, EUR, 2024:B	378	17-JUN-2024	A3/A-/NR	109.20	02-Mar-2020	-.26	58
1.5, Senior, EUR, 2025:B	500	20-JAN-2025	A3/A-/NR	107.21	02-Mar-2020	-.06	78
1, Senior, EUR, 2029:B	500	30-JAN-2029	A3/A-/NR	106.42	02-Mar-2020	.25	104
.051, Senior, EUR, 2022:B	500	30-JUN-2022	A3/A-/NR	100.39	02-Mar-2020	-.17	
2, Senior, EUR, 2032:B	500	30-JUN-2032	A3/A-/NR	117.31	02-Mar-2020	.52	115
1.375, Senior, EUR, 2027:B	500	30-JUN-2027	A3/A-/NR	109.51	02-Mar-2020	.03	81
Senior Unsecured, EUR, Y5, CDS:CDS					02-Mar-2020		58

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

IHO Verwaltungs GmbH / SHAEFF

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
3.75, Secured, EUR, 2026:B	750	15-SEP-2026	Ba1/BB+/BB+	99.76	29-Feb-2020	3.79	452
4.75, Secured, USD, 2026:B	500	15-SEP-2026	Ba1/BB+/BB+	101.00	29-Feb-2020	4.51	357
3.875, Secured, EUR, 2027:B	500	15-MAY-2027	Ba1/BB+/BB+	99.90	29-Feb-2020	3.89	460
3.625, Secured, EUR, 2025:B	800	15-MAY-2025	Ba1/BB+/BB+	100.00	29-Feb-2020	3.62	442
6.375, Secured, USD, 2029:B	400	15-MAY-2029	Ba1/BB+/BB+	105.50	29-Feb-2020	5.44	438
6, Secured, USD	450	15-MAY-2027	Ba1/BB+/BB+	103.00	29-Feb-2020	5.19	428

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Imperial Br Fin / IMBLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
3.5, Senior, USD, 2023:B	1,000	11-FEB-2023	Baa3/BBB/BBB	104.02	29-Feb-2020	1.96	109
2.25, Senior, EUR, 2021:B	1,000	26-FEB-2021	Baa3/BBB/BBB	101.66	29-Feb-2020	.01	69
3.375, Senior, EUR, 2026:B	650	26-FEB-2026	Baa3/BBB/BBB	113.94	29-Feb-2020	.88	163
2.95, Senior, USD, 2020:B	1,250	21-JUL-2020	Baa3/BBB/BBB	100.41	29-Feb-2020	1.87	43
3.75, Senior, USD, 2022:B	1,250	21-JUL-2022	Baa3/BBB/BBB	104.51	29-Feb-2020	1.67	78
4.25, Senior, USD, 2025:B	1,500	21-JUL-2025	Baa3/BBB/BBB	108.69	29-Feb-2020	2.44	147
.5, Senior, EUR, 2021:B	500	27-JUL-2021	Baa3/BBB/BBB	100.53	29-Feb-2020	.04	78
1.375, Senior, EUR, 2025:B	500	27-JAN-2025	Baa3/BBB/BBB	103.39	29-Feb-2020	.64	142
2.125, Senior, EUR, 2027:B	750	12-FEB-2027	Baa3/BBB/BBB	106.85	29-Feb-2020	1.06	178
1.125, Senior, EUR, 2023:B	750	14-AUG-2023	Baa3/BBB/BBB	102.83	29-Feb-2020	.24	103

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

ITV PLC / ITVLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
2.125, Senior, EUR, 2022:B	335	21-SEP-2022	Baa3/BBB-/NR	104.97	29-Feb-2020	-.03	76
2, Senior, EUR, 2023:B	259	01-DEC-2023	Baa3/BBB-/NR	105.92	29-Feb-2020	.41	120
Senior Unsecured, EUR, Y5:CDS					29-Feb-2020		117
1.375, Senior, EUR, 2026:B	600	26-SEP-2026	Baa3/BBB-/NR	103.06	29-Feb-2020	.87	161

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Jaguar Land Rover Automotive plc / TTMTIN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
3.5, Senior, USD, 2020:B	500	15-MAR-2020	B1/B+/BB-u	13-Mar-2020		99.25	28-Feb-2020	20.20	1,971
2.75, Senior, GBP, 2021:B	300	24-JAN-2021	B1/B+/BB-u			99.96	02-Mar-2020	2.79	238
2.75, Senior, GBP, 2021:B	300	24-JAN-2021	B1/B+/BB-u			99.96	02-Mar-2020	3.05	265
5, Senior, GBP, 2022:B	400	15-FEB-2022	B1/B+/BB-u			98.55	29-Feb-2020	5.79	543
5.625, Senior, USD, 2023:B	500	01-FEB-2023	B1/B+/BB-u	30-Mar-2020	100.94	96.85	29-Feb-2020	6.83	596
3.875, Senior, GBP, 2023:B	400	01-MAR-2023	B1/B+/BB-u			93.25	29-Feb-2020	6.38	603
2.2, Senior, EUR, 2024:B	650	15-JAN-2024	B1/B+/BB-u			86.00	29-Feb-2020	6.33	713
2.2, Senior, EUR, 2024:B	650	15-JAN-2024	B1/B+/BB-u			86.00	29-Feb-2020	6.33	713
5.875, Senior, EUR, 2024:B	500	15-NOV-2024	B1/B+/BB-	15-Aug-2024	100.00	95.49	29-Feb-2020	7.02	780
6.875, Senior, EUR, 2026:B	500	15-NOV-2026	B1/B+/BB-	15-Aug-2026	100.00	95.50	29-Feb-2020	7.75	847
4.5, Senior, EUR, 2026:B	500	15-JAN-2026	B1/B+/BB-u	15-Oct-2025	100.00	87.63	29-Feb-2020	7.11	787
4.5, Senior, USD, 2027:B	500	01-OCT-2027	B1/B+/BB-u	01-Jul-2027	100.00	84.38	29-Feb-2020	7.21	614
Senior Unsecured, EUR, Y5:CDS							29-Feb-2020		633

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

K+S AG / SDFGR

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
3, Senior, EUR, 2022:B	500	20-JUN-2022	WR/BB-/NR			98.61	29-Feb-2020	3.64	439
4.125, Senior, EUR, 2021:B	500	06-DEC-2021	NR/BB-/NR			101.26	29-Feb-2020	3.37	411
2.625, Senior, EUR, 2023:B	625	06-APR-2023	NR/BB-/NR	06-Jan-2023	100.00	94.72	29-Feb-2020	4.49	523
3.25, Senior, EUR, 2024:B	600	18-JUL-2024	NR/BB-/NR	18-Apr-2024	100.00	94.18	29-Feb-2020	4.75	548
SDFGR CDS EUR SR 5Y							29-Feb-2020		474

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

LHMC Finco Sarl / LHMCFI

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
6.25, Secured, EUR, 2023:B	663	20-DEC-2023	B2/B/NR	20-Jun-2020	103.13	103.28	29-Feb-2020	4.73	551
7.875, Secured, USD, 2023:B	495	20-DEC-2023	B2/B/NR	20-Jun-2020	103.94	104.24	29-Feb-2020	5.87	499

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Lufthansa / LHAGR

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5.125, Junior-Subordinated, EUR, 2075:B	500	12-AUG-2075	NR/BB+/NR	102.68	28-Feb-2020	2.25	296
.25, Senior Unsecured, EUR, 2024:B	500	06-SEP-2024	Baa3/BBB/NR	98.62	29-Feb-2020	.56	135
Senior Unsecured, EUR, Y5:CDS					29-Feb-2020		108

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Munich Re / MUNRE

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
6, Subordinated, EUR, 2041:B	1,000	26-May-2041	NR/A/A	106.97	29-Feb-2020	.34	107
6.25, Subordinated, EUR, 2022:B	900	26-MAY-2022	NR/A/A	113.29	29-Feb-2020	.28	106
3.25, Subordinated, EUR, 2049:B	1,250	26-MAY-2049	A2/NR/A	116.69	29-Feb-2020	1.32	195
6.625, Subordinated, GBP, 2022:B	450	26-MAY-2022	NR/A/A	111.44	29-Feb-2020	1.39	99

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Naturgy Capital Markets SA. / NTGYSM

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5.125, Senior, EUR, 2021:B	554	02-NOV-2021	Baa2/BBB/BBB+	109.12	29-Feb-2020	-.31	46
1.125, Senior, EUR, 2024:B	742	11-APR-2024	Baa2/BBB/BBB+	104.67	29-Feb-2020	-.08	72

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Naturgy Finance BV / NTGYSM

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
3.875, Senior, EUR, 2023:B	396	17-JAN-2023	Baa2/BBB/BBB+	111.50	29-Feb-2020	-.11	68
3.875, Senior, EUR, 2022:B	454	11-APR-2022	Baa2/BBB/BBB+	108.59	29-Feb-2020	-.18	60
3.5, Senior, EUR, 2021:B	276	15-Apr-2021	Baa2/BBB/BBB+	104.21	29-Feb-2020	-.24	49
4.125, Junior-Subordinated, EUR, Perp/2049:B	1,000	30-NOV-2049	Ba1/BB+/BBB-	106.70	29-Feb-2020	1.58	237
3.375, Subordinated, EUR, Perp/2049:B	500	29-DEC-2049	Ba1/BB+/BBB-	105.70	29-Feb-2020	1.93	272
2.875, Senior, EUR, 2024:B	412	11-MAR-2024	Baa2/BBB/BBB+	111.92	29-Feb-2020	-.08	72
1.375, Senior, EUR, 2025:B	401	21-JAN-2025	Baa2/BBB/BBB+	106.94	29-Feb-2020	-.04	74
1.25, Senior, EUR, 2026:B	600	19-APR-2026	Baa2/BBB/BBB+	106.70	29-Feb-2020	.11	86
1.375, Senior, EUR, 2027:B	1,000	19-JAN-2027	Baa2/BBB/BBB+	107.82	29-Feb-2020	.23	95
1.875, Senior, EUR, 2029:B	300	05-OCT-2029	Baa2/BBB/BBB+	114.98	29-Feb-2020	.25	88
.875, Senior, EUR, 2025:B	800	15-MAY-2025	Baa2/BBB/BBB+	104.46	29-Feb-2020	-.02	76
1.5, Senior, EUR, 2028:B	850	29-JAN-2028	Baa2/BBB/BBB+	109.35	29-Feb-2020	.27	96

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Naturgy / NTGYSM

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
Senior Unsecured, EUR, Y5, CDS:CDS					29-Feb-2020		48

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Orange SA / ORAFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
Senior Unsecured,EUR,Y5,CDS:CDS					29-Feb-2020		39
5.875, Junior-Subordinated, GBP, Perp/2049:B	650	31-DEC-2049	Baa3/BBB-/BBB-	107.51	29-Feb-2020	1.89	152
5.25, Junior-Subordinated, EUR, Perp/2049:B	1,000	29-DEC-2049	Baa3/BBB-/BBB-	114.50	29-Feb-2020	1.44	223
4, Junior-Subordinated, EUR, Perp/2049:B	500	29-OCT-2049	Baa3/BBB-/BBB-	105.30	29-Feb-2020	.63	138
5, Junior-Subordinated, EUR, Perp/2049:B	1,250	29-OCT-2049	Baa3/BBB-/BBB-	120.66	29-Feb-2020	1.66	239
5.75, Junior-Subordinated, GBP, Perp/2049:B	600	29-OCT-2049	Baa3/BBB-/BBB-	110.13	29-Feb-2020	2.31	195
3.875, Senior, EUR, 2020:B	1,000	09-APR-2020	Baa1/BBB+/BBB+	100.41	29-Feb-2020	.09	69
3.375, Senior, EUR, 2022:B	500	16-SEP-2022	Baa1/NR/BBB+	108.89	29-Feb-2020	-.12	68
3.875, Senior, EUR, 2021:B	1,250	14-JAN-2021	Baa1/BBB+/BBB+	103.54	29-Feb-2020	-.18	53
7.25, Senior, GBP, 2020:B	238	10-NOV-2020	Baa1/BBB+/BBB+	105.68	02-Mar-2020	1.17	47
5.25, Senior, GBP, 2025:B	262	05-DEC-2025	Baa1/BBB+/BBB+	121.87	29-Feb-2020	1.29	103
5.625, Senior, GBP, 2034:B	500	23-JAN-2034	Baa1/BBB+/BBB+	142.16	29-Feb-2020	2.10	140
8.125, Senior, EUR, 2033:B	1,500	28-JAN-2033	Baa1/BBB+/BBB+	187.60	29-Feb-2020	.91	140
8.125, Senior, GBP, 2028:B	500	20-NOV-2028	Baa1/BBB+/BBB+	151.78	29-Feb-2020	1.69	131
5.375, Senior, GBP, 2050:B	500	22-NOV-2050	Baa1/BBB+/BBB+	159.81	29-Feb-2020	2.55	158
3, Senior, EUR, 2022:B	1,000	15-JUN-2022	NR/BBB+/BBB+	107.29	29-Feb-2020	-.18	61
2.5, Senior, EUR, 2023:B	500	01-MAR-2023	Baa1/BBB+/BBB+	107.80	29-Feb-2020	-.10	69
3.125, Senior, EUR, 2024:B	650	09-JAN-2024	Baa1/BBB+/BBB+	112.07	29-Feb-2020	.00	80
9, Senior, USD, 2031:B	2,461	01-MAR-2031	Baa1/BBB+/BBB+	160.24	29-Feb-2020	2.65	151
4.125, Senior, USD, 2021:B	1,000	14-SEP-2021	Baa1/BBB+/BBB+	104.36	29-Feb-2020	1.25	28
5.375, Senior, USD, 2042:B	900	13-JAN-2042	Baa1/BBB+/BBB+	139.30	29-Feb-2020	2.93	131
5.5, Senior, USD, 2044:B	850	06-FEB-2044	Baa1/BBB+/BBB+	145.74	29-Feb-2020	2.82	115
.875, Senior, EUR, 2027:B	750	03-FEB-2027	Baa1/BBB+/BBB+	104.57	29-Feb-2020	.19	91
.75, Senior, EUR, 2023:B	750	11-SEP-2023	Baa1/BBB+/BBB+	102.69	29-Feb-2020	-.07	73
1.5, Senior, EUR, 2027:B	500	09-SEP-2027	Baa1/BBB+/BBB+	109.45	29-Feb-2020	.19	90

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Reynolds American Inc / BATSLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
4.85, Senior, USD, 2023:B	550	15-SEP-2023	Baa2/BBB+/BBB	110.89	29-Feb-2020	1.67	78
6.15, Senior, USD, 2043:B	550	15-SEP-2043	Baa2/BBB+/BBB	120.55	29-Feb-2020	4.70	303
4, Senior, USD, 2022:B	1,000	12-JUN-2022	Baa2/BBB+/BBB	105.29	29-Feb-2020	1.63	74
4.45, Senior, USD, 2025:B	2,500	12-JUN-2025	Baa2/BBB+/BBB	110.21	29-Feb-2020	2.29	133
5.7, Senior, USD, 2035:B	750	15-AUG-2035	Baa2/BBB+/BBB	119.17	29-Feb-2020	3.99	270
5.85, Senior, USD, 2045:B	2,250	15-AUG-2045	Baa2/BBB+/BBB	119.53	29-Feb-2020	4.54	284

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Schaeffler AG / SHAEFF

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
2.875, Senior, EUR, 2027:B	650	26-MAR-2027	Baa3/BBB-/BBB-	107.56	29-Feb-2020	1.69	241
1.875, Senior, EUR, 2024:B	800	26-MAR-2024	Baa3/BBB-/BBB-	103.34	29-Feb-2020	.98	178
1.125, Senior, EUR, 2022:B	750	26-MAR-2022	Baa3/BBB-/BBB-	101.47	29-Feb-2020	.38	116
SHAEFF 5Y CDS					02-Mar-2020		157

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

SCOR / SCOR

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
3.875, Subordinated, EUR, Perp/2049:B	250	31-OCT-2049	A2/A/NR	112.21	29-Feb-2020	1.57	233
3, Subordinated, EUR, 2046:B	600	08-JUN-2046	NR/A/A-	110.50	29-Feb-2020	1.25	199
3.25, Subordinated, EUR, 2047:B	250	05-JUN-2047	NR/A/A-	112.11	29-Feb-2020	1.48	218
3.625, Subordinated, EUR, 2048:B	500	27-MAY-2048	NR/A/A-	116.69	29-Feb-2020	1.46	213
5.25, Junior Subordinated, USD, 2049:B	625	31-DEC-2049	Baa1u/A-/NR	97.79	29-Feb-2020	3.99	232

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

SES GLOBAL Americas Holdings GP / SESGFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5.3, Senior, USD, 2044:B	500	25-MAR-2044	Baa2/BBB-/WD	114.38	29-Feb-2020	4.33	265

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

SES SA / SESGFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
4.75, Senior, EUR, 2021:B	650	11-MAR-2021	Baa2/BBB-/WD	104.66	29-Feb-2020	.20	93
5.3, Senior, USD, 2043:B	250	04-APR-2043	Baa2/BBB-/WD	112.92	29-Feb-2020	4.40	274
3.6, Senior, USD, 2023:B	750	04-APR-2023	Baa2/BBB-/WD	104.19	29-Feb-2020	2.19	132
4.625, Junior-Subordinated, EUR, Perp/2049:B	750	29-DEC-2049	Ba1/BB/NR	103.06	29-Feb-2020	2.89	364
5.625, Junior-Subordinated, EUR, Perp/2049:B	550	29-DEC-2049	Ba1/BB/NR	109.50	29-Feb-2020	3.01	379
4.625, Senior, EUR, 2020:B	650	09-MAR-2020	Baa2/BBB-/WD	100.07	28-Feb-2020	1.51	211
4.0, Senior, EUR, 2027		31-MAY-2027	Baa2/BBB-/WD	126.25	01-Mar-2020	.50	135
1.625, Senior, EUR, 2026:B	500	22-MAR-2026	Baa2/BBB-/NR	105.27	29-Feb-2020	.70	145
.875, Senior, EUR, 2027	500	04-NOV-2027	Baa2/BBB-/NR	98.40	29-Feb-2020	1.09	178

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Smurfit Kappa / SKGID

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
2.375, Senior, EUR, 2024:B	500	01-FEB-2024	Ba1/BB+/BB+	01-Nov-2023	100.00	105.20	29-Feb-2020	.93	173
2.375, Senior, EUR, 2024:B	500	01-FEB-2024	Ba1/BB+/BB+	01-Nov-2023	100.00	105.20	29-Feb-2020	.93	173
2.875, Senior, EUR, 2026:B	1,000	15-JAN-2026	Ba1/BB+/BB+	15-Oct-2025		108.60	29-Feb-2020	1.29	205
2.75, Senior, EUR, 2025:B	250	01-FEB-2025	Ba1/BB+/BB+	01-Nov-2024	100.00	108.00	29-Feb-2020	.99	178
Senior Unsecured, EUR, Y5, CDS:CDS							29-Feb-2020		83

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Smurfit Kappa Group plc / SKGID

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
1.5, Senior, EUR, 2027:B	750	15-SEP-2027	Ba1/BB+/BB+	15-Jun-2027	100.00	100.00	29-Feb-2020	1.50	220

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Sodexo SA / SWFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1.75, Senior, EUR, 2022:B	600	24-JAN-2022	NR/A-/WD	103.31	29-Feb-2020	-.35	40
2.5, Senior, EUR, 2026:B	500	24-JUN-2026	NR/A-/WD	115.18	29-Feb-2020	.00	74
.75, Senior, EUR, 2027:B	800	14-APR-2027	NR/A-/WD	105.11	29-Feb-2020	.01	73
1.125, Senior, EUR, 2025:B	300	22-MAY-2025	NR/A-/NR	105.68	29-Feb-2020	-.02	76
Senior Unsecured, EUR, Y5:CDS					29-Feb-2020		23

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Solvay Finance SA / SOLBBB

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5.118, Junior-Subordinated, EUR, Perp/2049:B	500	29-DEC-2049	Ba1/BB+/BB+u	105.06	29-Feb-2020	1.03	177
5.425, Junior-Subordinated, EUR, Perp/2049:B	500	31-DEC-2049	Ba1/BB+/BB+u	112.95	29-Feb-2020	1.78	257
5.869, Junior-Subordinated, EUR, Perp/2049:B	500	29-DEC-2049	Ba1/BB+/BB+u	115.42	29-Feb-2020	2.05	283

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Solvay / SOLBBB

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
2.75, Senior, EUR, 2027:B	500	02-DEC-2027	Baa2/BBB/BBBu	117.98	29-Feb-2020	.32	102
1.625, Senior, EUR, 2022:B	750	02-DEC-2022	Baa2/BBB/BBBu	104.17	29-Feb-2020	-.04	75
.5, Subordinated, EUR, 2029:B	600	06-Sep-2029	Baa2/BBB/BBBu	99.43	29-Feb-2020	.56	119
4.25, Subordinated, EUR, 2024	300	31-DEC-2049	Ba1/BB+/NR	108.94	29-Feb-2020	1.91	270
Senior Unsecured, EUR, Y5, CDS:CDS					29-Feb-2020		65

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Standard Chartered / STANLN

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
Subordinated, EUR, Y5:CDS					29-Feb-2020		127
Senior Unsecured, EUR, Y5:CDS					29-Feb-2020		71
6.5, Junior Subordinated, USD, Perp/2049:B	2,000	29-DEC-2049	Ba1/NR/BB+	100.46	29-Feb-2020	1.42	-2
5.2, Lower Tier 2, USD, 2024:B	1,000	26-JAN-2024	Baa2/BBB-/A-	109.55	29-Feb-2020	2.61	171
3.125, Lower Tier 2, EUR, 2024:B	500	19-NOV-2024	Baa2/BBB-/A-	110.68	29-Feb-2020	.81	159
3.05, Senior, USD, 2021:B	1,000	15-JAN-2021	A2/BBB+/A	101.02	29-Feb-2020	1.86	72
4.05, Senior, USD, 2026:B	1,278	12-APR-2026	A2/BBB+/A	108.11	29-Feb-2020	2.61	159
7.014, Tier1, USD, Perp/2049:B	750	30-DEC-2049	Ba1/BB/BB+	122.93	29-Feb-2020	4.05	264

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Telecom Italia / TITIM

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
5.25, Senior,EUR, 2055:B	670	17-MAR-2055	Ba1/BB+/BB+			118.32	29-Feb-2020	4.24	434
5.303, Senior, USD, 2024:B	1,500	30-MAY-2024	Ba1/BB+/BB+			106.75	29-Feb-2020	3.57	266
7.2, Senior, USD, 2036:B	1,000	18-JUL-2036	Ba1/BB+/BB+			123.86	29-Feb-2020	5.04	369
6, Senior, USD, 2034:B	1,000	30-SEP-2034	Ba1/BB+/BB+			112.50	29-Feb-2020	4.80	353
7.721, Senior, USD, 2038:B	1,000	04-JUN-2038	Ba1/BB+/BB+			129.00	29-Feb-2020	5.23	378
5.25, Senior, EUR, 2022:B	884	10-FEB-2022	Ba1/BB+/BB+			109.53	29-Feb-2020	.33	111
7.75, Senior, EUR, 2033:B	1,015	24-JAN-2033	Ba1/BB+/BB+			147.93	29-Feb-2020	3.17	364
4.875, Senior, EUR, 2020:B	547	25-SEP-2020	Ba1/BB+/BB+			104.67	02-Mar-2020	.16	88
4.5, Senior, EUR, 2021:B	564	25-JAN-2021	Ba1/BB+/BB+			104.28	02-Mar-2020	.15	78
3.25, Senior, EUR, 2023:B	1,000	16-JAN-2023	Ba1/BB+/BB+			106.94	29-Feb-2020	.80	158
5.875, Senior, GBP, 2023:B	400	19-MAY-2023	Ba1/BB+/BB+			111.88	29-Feb-2020	2.02	168
3.625, Senior, EUR, 2024:B	750	19-JAN-2024	Ba1/BB+/BB+			109.55	29-Feb-2020	1.10	189
Senior Unsecured, EUR, Y5, CDS:CDS							29-Feb-2020		162
3.625, Senior, EUR, 2026:B	1,000	25-MAY-2026	Ba1/BB+/BB+			112.46	29-Feb-2020	1.51	225
3, Senior, EUR, 2025:B	1,000	30-SEP-2025	Ba1/BB+/BB+			108.05	29-Feb-2020	1.49	224
2.5, Senior, EUR, 2023:B	1,000	19-JUL-2023	Ba1/BB+/BB+			105.71	29-Feb-2020	.78	158
2.375, Senior, EUR, 2027:B	1,250	12-OCT-2027	Ba1/BB+/BB+	12-Jul-2027	100.00	104.27	29-Feb-2020	1.75	245
2.875, Senior, EUR, 2026:B	750	28-JAN-2026	Ba1/BB+/BB+	28-Oct-2025	100.00	107.06	29-Feb-2020	1.56	232
4, Senior, EUR, 2024:B	1,250	11-APR-2024	Ba1/BB+/BB+	11-Jan-2024	100.00	109.34	29-Feb-2020	1.50	229
2.75, Senior, EUR, 2025:B	1,000	15-APR-2025	Ba1/BB+/BB+	15-Jan-2025	100.00	105.74	29-Feb-2020	1.57	234

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Unipol / UNIIM

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
3, Senior, EUR, 2025:B	1,000	18-MAR-2025	Ba2/NR/BBB-			104.17	29-Feb-2020	2.12	288
3.5, Senior, EUR, 2027:B	500	29-NOV-2027	Ba2/NR/BBB-	29-Aug-2027	100.00	106.39	29-Feb-2020	2.55	324
4.375, Senior, EUR, 2021:B	317	05-MAR-2021	Ba2/NR/BBB-			103.94	29-Feb-2020	.46	118

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

United Group / ADRBID

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
4.875, Secured, EUR, 2024:B	525	01-JUL-2024	B2/B/NR	01-Jul-2020	102.44	102.35	29-Feb-2020	3.81	460

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Valeo SA / FRFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
.375, Senior, EUR, 2022:B	600	12-SEP-2022	Baa3/BBB-/NR	100.36	29-Feb-2020	.22	100
.625, Senior, EUR, 2023:B	500	11-JAN-2023	Baa3/BBB-/NR	100.76	29-Feb-2020	.33	112
3.25, Senior, EUR, 2024:B	700	22-JAN-2024	Baa3/BBB-/NR	110.57	29-Feb-2020	.50	130
1.5, Senior, EUR, 2025:B	600	18-JUN-2025	Baa3/BBB-/NR	102.76	29-Feb-2020	.94	171
1.625, Senior, EUR, 2026:B	600	18-MAR-2026	Baa3/BBB-/NR	103.10	29-Feb-2020	1.07	182
Valeo 5y CDS SR					02-Mar-2020		147

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Vodafone Group Plc / VOD

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1.125, Senior, EUR, 2025:B	1,000	20-NOV-2025	Baa2/NR/BBB	105.60	29-Feb-2020	.14	90
6.15, Senior, USD, 2037:B	1,700	27-FEB-2037	Baa2/BBB/BBB	138.72	29-Feb-2020	3.18	179
5.625, Senior, GBP, 2025:B	250	04-DEC-2025	Baa2/BBB/BBB	123.31	29-Feb-2020	1.38	113
5.9, Senior, GBP, 2032:B	450	26-NOV-2032	Baa2/BBB/BBB	142.02	29-Feb-2020	2.10	147
7.875, Senior, USD, 2030:B	744	15-FEB-2030	Baa2/BBB/BBB	144.11	29-Feb-2020	2.77	166
6.25, Senior, USD, 2032:B	495	30-NOV-2032	Baa2/BBB/BBB	135.71	29-Feb-2020	2.88	169
5.375, Senior, EUR, 2022:B	500	06-JUN-2022	Baa2/BBB/BBB	112.51	29-Feb-2020	-.14	65
4.65, Senior, EUR, 2022:B	1,250	20-JAN-2022	Baa2/BBB/BBB	109.16	29-Feb-2020	-.19	59
2.5, Senior, USD, 2022:B	603	26-SEP-2022	Baa2/BBB/BBB	102.07	29-Feb-2020	1.67	80
2.95, Senior, USD, 2023:B	897	19-FEB-2023	Baa2/BBB/BBB	103.85	29-Feb-2020	1.62	75
4.375, Senior, USD, 2043:B	1,400	19-FEB-2043	Baa2/BBB/BBB	115.14	29-Feb-2020	3.42	176
1, Senior, EUR, 2020:B	956	11-SEP-2020	Baa2/BBB/BBB	100.33	29-Feb-2020	-.20	40
1.875, Senior, EUR, 2025:B	1,000	11-SEP-2025	Baa2/BBB/BBB	109.37	29-Feb-2020	.09	87
2.2, Senior, EUR, 2026:B	1,750	25-AUG-2026	Baa2/BBB/BBB	112.82	29-Feb-2020	.21	94
1.75, Senior, EUR, 2023:B	1,250	25-AUG-2023	Baa2/BBB/BBB	106.48	29-Feb-2020	-.11	70
1.25, Senior, EUR, 2021:B	752	25-AUG-2021	Baa2/BBB/BBB	102.15	29-Feb-2020	-.20	55
1.6, Senior, EUR, 2031:B	1,150	29-JUL-2031	Baa2/BBB/BBB	108.44	29-Feb-2020	.82	137
3.375, Senior, GBP, 2049:B	800	08-AUG-2049	Baa2/NR/BBB	107.48	29-Feb-2020	2.99	201
3, Senior, GBP, 2056:B	1,000	12-AUG-2056	Baa2/BBB/BBB	99.80	29-Feb-2020	3.01	204
1.5, Senior, EUR, 2027:B	500	24-JUL-2027	Baa2/NR/BBB	108.46	29-Feb-2020	.34	104
1.875, Senior, EUR, 2029:B	750	20-NOV-2029	Baa2/NR/BBB	112.81	29-Feb-2020	.52	114
2.875, Senior, EUR, 2037:B	750	20-NOV-2037	Baa2/NR/BBB	121.02	29-Feb-2020	1.51	185
3.1, Subordinated, EUR, 2079:B	2,000	03-JAN-2079	Ba1/BB+/BB+	103.00	29-Feb-2020	2.28	306
6.25, Subordinated, USD, 2078:B	1,300	03-OCT-2078	Ba1/BB+/BB+	107.28	29-Feb-2020	4.09	238
4.2, Subordinated, EUR, 2078:B	500	03-OCT-2078	Ba1/BB+/BB+	111.25	29-Feb-2020	2.71	335
4.875, Subordinated, GBP, 2078:B	500	03-OCT-2078	Ba1/BB+/BB+	107.25	29-Feb-2020	.92	-2
Senior Unsecured, EUR, Y5, CDS:CDS					29-Feb-2020		69
3.75, Senior, USD, 2024:B	2,000	16-JAN-2024	Baa2/BBB/BBB	107.52	29-Feb-2020	1.74	84
4.125, Senior, USD, 2025:B	1,500	30-MAY-2025	Baa2/BBB/BBB	111.68	29-Feb-2020	1.78	81
4.375, Senior, USD, 2028:B	3,000	30-MAY-2028	Baa2/BBB/BBB	114.89	29-Feb-2020	2.38	129
5, Senior, USD, 2038:B	1,000	30-MAY-2038	Baa2/BBB/BBB	122.47	29-Feb-2020	3.35	189
5.25, Senior, USD, 2048:B	3,000	30-MAY-2048	Baa2/BBB/BBB	126.07	29-Feb-2020	3.75	205
7, Subordinated, USD, 2079:B	2,000	04-APR-2079	Ba1/BB+/BB+	115.47	29-Feb-2020	4.87	377

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Volkswagen Bank GmbH / VW

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
1.25, Senior, EUR, 2024:B	800	10-JUN-2024	A3/BBB+/NR	102.71	29-Feb-2020	.61	140
1.25, Senior, EUR, 2022:B	500	01-AUG-2022	A3/BBB+/NR	102.39	29-Feb-2020	.26	105
1.875, Senior, EUR, 2024:B	850	31-JAN-2024	A3/BBB+/NR	105.10	29-Feb-2020	.56	135
2.5, Senior, EUR, 2026:B	850	31-JUL-2026	A3/BBB+/NR	109.76	29-Feb-2020	.93	166
.375, Senior, EUR, 2022:B	500	05-JUL-2022	A3/BBB+/NR	100.35	29-Feb-2020	.22	101

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Volkswagen Financial Services AG / VW

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
2.25, Senior, EUR, 2026:B	750	16-OCT-2026	A3/BBB+/NR	108.70	29-Feb-2020	.89	162
1.375, Senior, EUR, 2023:B	850	16-OCT-2023	A3/BBB+/NR	103.24	29-Feb-2020	.47	127
.25, Secured, EUR, 2020:B	1,000	16-OCT-2020	A3/BBB+/NR	100.23	29-Feb-2020	-.12	53
.625, Senior, EUR, 2022:B	1,100	01-APR-2022	A3/BBB+/NR	100.87	29-Feb-2020	.20	99

For pricing information refer to "Other Important Disclosures" below.
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Volkswagen Leasing GmbH / VW

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
2.625, Senior, EUR, 2025:B	1,250	15-JAN-2024	A3/BBB+/NR	107.94	29-Feb-2020	.55	135
1.125, Senior, EUR, 2024:B	1,000	04-APR-2024	A3/BBB+/NR	102.21	29-Feb-2020	.58	137
2.375, Senior, EUR, 2022:B	1,000	06-SEP-2022	A3/BBB+/NR	105.36	29-Feb-2020	.24	103
2.125, Senior, EUR, 2022:B	750	04-APR-2022	A3/BBB+/NR	104.00	29-Feb-2020	.21	99
.75, Senior, EUR, 2020:B	750	11-AUG-2020	A3/BBB+/NR	100.38	29-Feb-2020	-.11	50
.25, Senior, EUR, 2020:B	1,250	05-OCT-2020	A3/BBB+/NR	100.21	29-Feb-2020	-.11	54
1, Senior, EUR, 2023:B	750	16-FEB-2023	A3/BBB+/NR	101.88	29-Feb-2020	.36	115
1.625, Senior, EUR, 2025:B	750	15-AUG-2025	A3/BBB+/NR	104.60	29-Feb-2020	.76	153
1.5, Senior, EUR, 2026:B	650	19-JUN-2026	A3/BBB+/NR	104.47	29-Feb-2020	.77	151

For pricing information refer to "Other Important Disclosures" below.
B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Volkswagen International Finance NV / VW

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5.125, Junior-Subordinated, EUR, Perp/2049:B	750	04-SEP-2049	Baa2/BBB-/BBB-u	109.19	29-Feb-2020	2.36	315
3.75, Junior-Subordinated, EUR, Perp/2049:B	1,250	24-MAR-2049	Baa2/BBB-/BBB-u	102.25	29-Feb-2020	1.60	232
2.5, Junior-Subordinated, EUR, Perp/2049:B	1,100	29-DEC-2049	Baa2/BBB-/BBB-u	100.56	29-Feb-2020	2.22	298
3.375, Subordinated, EUR, Perp/2049:B	1,250	31-DEC-2049	Baa2/BBB-/BBB-u	102.94	29-Feb-2020	2.60	338
2.7, Junior-Subordinated, EUR, Perp/2049:B	1,500	31-DEC-2049	Baa2/BBB-/BBB-u	101.20	29-Feb-2020	2.17	295
4.625, Junior-Subordinated, EUR, Perp/2049:B	1,750	24-MAR-2049	Baa2/BBB-/BBB-u	109.33	29-Feb-2020	2.81	353
3.5, Junior-Subordinated, EUR, Perp/2049:B	1,400	29-DEC-2049	Baa2/BBB-/BBB-u	101.22	29-Feb-2020	3.00	358
3.875, Junior-Subordinated, EUR, Perp/2049:B	2,000	31-DEC-2049	Baa2/BBB-/BBB-u	104.13	29-Feb-2020	3.20	388
4.625, Junior-Subordinated, EUR, Perp/2049:B	1,500	31-DEC-2049	Baa2/BBB-/BBB-u	109.89	29-Feb-2020	3.25	389
3.375, Senior, GBP, 2026:B	350	16-NOV-2026	A3/BBB+/BBB+u	107.93	29-Feb-2020	2.10	181
4.125, Senior, GBP, 2031:B	450	17-NOV-2031	A3/BBB+/BBB+u	115.03	29-Feb-2020	2.62	204

For pricing information refer to "Other Important Disclosures" below.
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Ypso Finance Bis SA / SFRFP

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
4, Senior, EUR, 2028:B		15-Feb-2028				94.00	02-Mar-2020		
6.0%, , USD, 2028:B		15-Feb-2028				99.82	02-Mar-2020		

For pricing information refer to "Other Important Disclosures" below.
*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.
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