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Guggenheim 3Q High-Yield and Bank Loan Outlook: Leveraged Credit has Further Room to Rally, Volatility to Remain Elevated

NEW YORK, NY – July 14, 2016 – Guggenheim Investments, the global asset management and investment advisory business of Guggenheim Partners, provided its Third Quarter 2016 High-Yield and Bank Loan Outlook. Among the highlights in the 12-page report:

- High-yield bond recoveries should improve, but loan recoveries will remain depressed in light of weaker covenants and poor debt subordination.
- Energy bonds have further room to rally as we pass the worst of the commodity-related distress, but we continue to expect volatility will remain elevated until the fourth quarter.
- With global monetary policy growing more accommodative, foreign flows into the U.S. should have the effect of another round of quantitative easing to U.S. financial markets.
- While loans are underperforming corporate bonds and Treasurys on a total return basis, they are leading the way on a risk-adjusted basis in 2016.
- We believe the rally in risk assets will remain intact through the third quarter of 2016, and monetary policy will ultimately create a positive backdrop for risk assets over the next two to three years.

For more information, please visit http://www.guggenheiminvestments.com.

About Guggenheim Investments

Guggenheim Investments is the global asset management and investment advisory division of Guggenheim Partners, with $199 billion1 in assets across fixed income, equity, and alternative strategies. We focus on the return and risk needs of insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, consultants, wealth managers, and high-net-worth investors. Our 275+ investment professionals perform rigorous research to understand market trends and identify undervalued opportunities in areas that are often complex and underfollowed. This approach to investment management has enabled us to deliver innovative strategies providing diversification and attractive long-term results.

[1]Guggenheim Investments total asset figure is as of 03.31.2016 and includes $11.4bn of leverage for assets under management and $0.5bn for assets for which Guggenheim provides administrative services. Guggenheim Investments represents the following affiliated investment management businesses: Guggenheim Partners Investment Management, LLC, Security Investors, LLC, Guggenheim Funds Investment Advisors, LLC, Guggenheim Funds Distributors, LLC, Guggenheim Real Estate, LLC, Transparent Value Advisors, LLC, GS GAMMA Advisors, LLC, Guggenheim Partners Europe Limited and Guggenheim Partners India Management.

Investing involves risk. In general, the value of fixed-income securities fall when interest rates rise. High-yield securities present more liquidity and credit risk than investment grade bonds and may be subject to greater volatility. Investments in bank loans securities involve special types of risks, including credit risk, interest rate risk, liquidity risk and prepayment risk.

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