

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 Treasuries 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

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¹Guggenheim 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.

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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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Media Contact

Ivy McLemore

Guggenheim Partners

212.518.9859 – office

Ivy.McLemore@guggenheimpartners.com