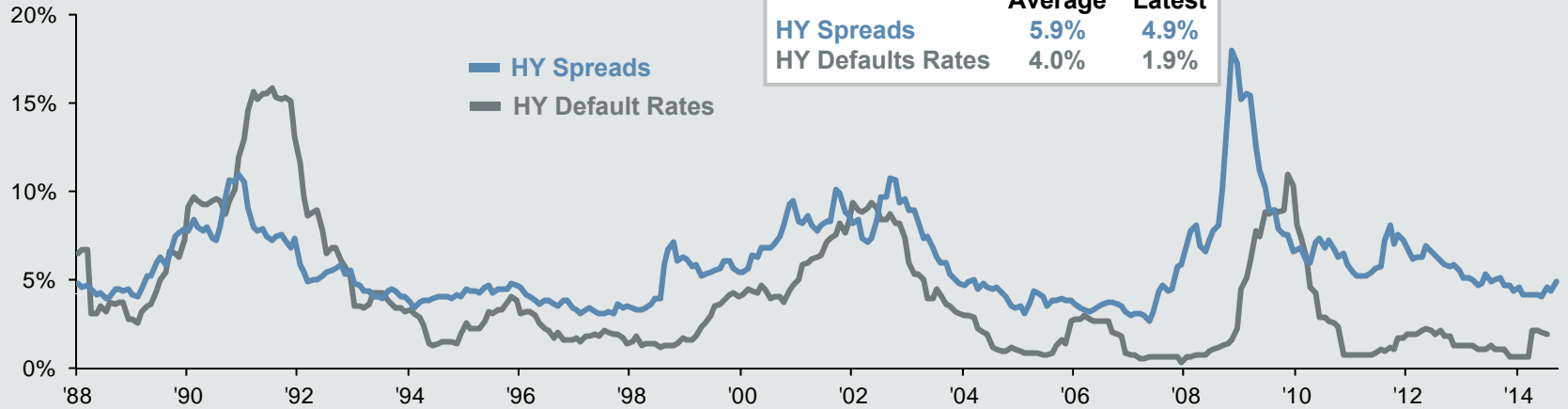


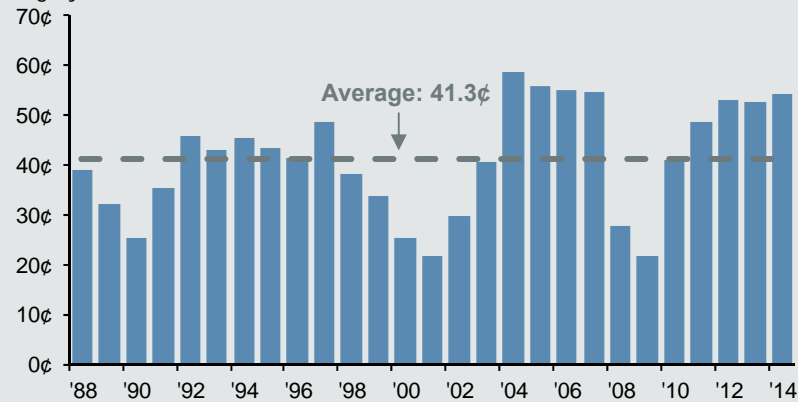
# High Yield Bonds

## High Yield Spreads and Defaults



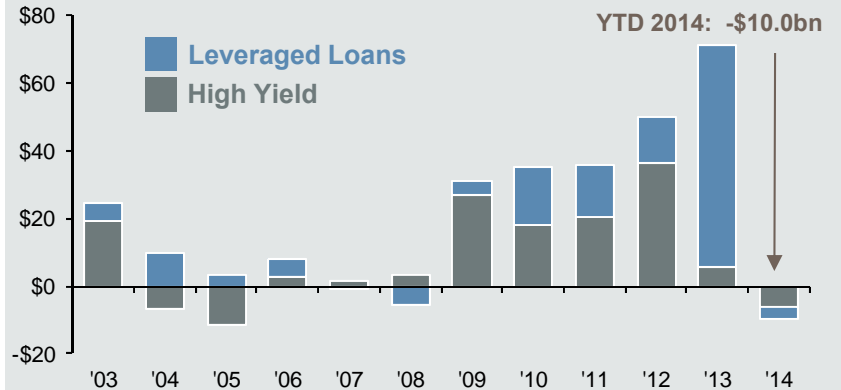
## Historical High Yield Recovery Rates

High yield bonds, cents on the dollar



## Annual Flows into High Yield and Leveraged Loan Funds

Mutual funds & ETFs, billions USD



Source: (Top chart): U.S. Treasury, J.P. Morgan, Strategic Insight, J.P. Morgan Asset Management. Default rates are defined as the par value percentage of the total market trading at or below 50% of par value and include any Chapter 11 filing, prepackaged filing or missed interest payments. (Bottom left): J.P. Morgan, Fitch, J.P. Morgan Asset Management. (Bottom right): Strategic Insight, J.P. Morgan Asset Management. Spreads indicated are benchmark yield to worst less comparable maturity Treasury yields. 2014 recovery rate is a weighted average number as of September 2014. Yield to worst is defined as the lowest potential yield that can be received on a bond without the issuer actually defaulting and reflects the possibility of the bond being called at an unfavorable time for the holder. Flows include ETFs and are as of August 2014. Past performance is not indicative of comparable future results. Guide to the Markets – U.S. Data are as of 9/30/14.