

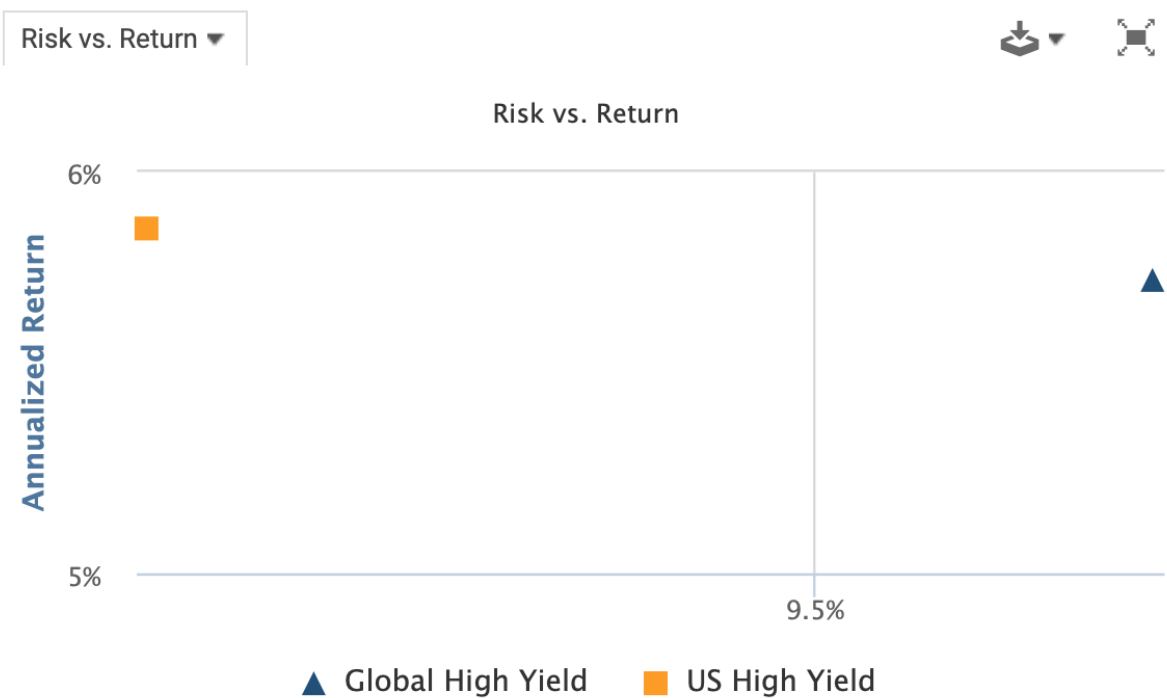
Institutional investors in Europe often have a Global High Yield mandate and limit themselves to select from a small pool of Global High Yield managers, often with large AUM's and diminishing outperformance. In this email, that will read in 3-5 minutes a sum up of the differences between Global High Yield and US High Yield and why it makes sense to look at both universes when selecting your High Yield manager.

1) There are almost 4 times more US High Yield strategies than there are Global High Yield strategies with a > 10 year track record, so much more to choose from.

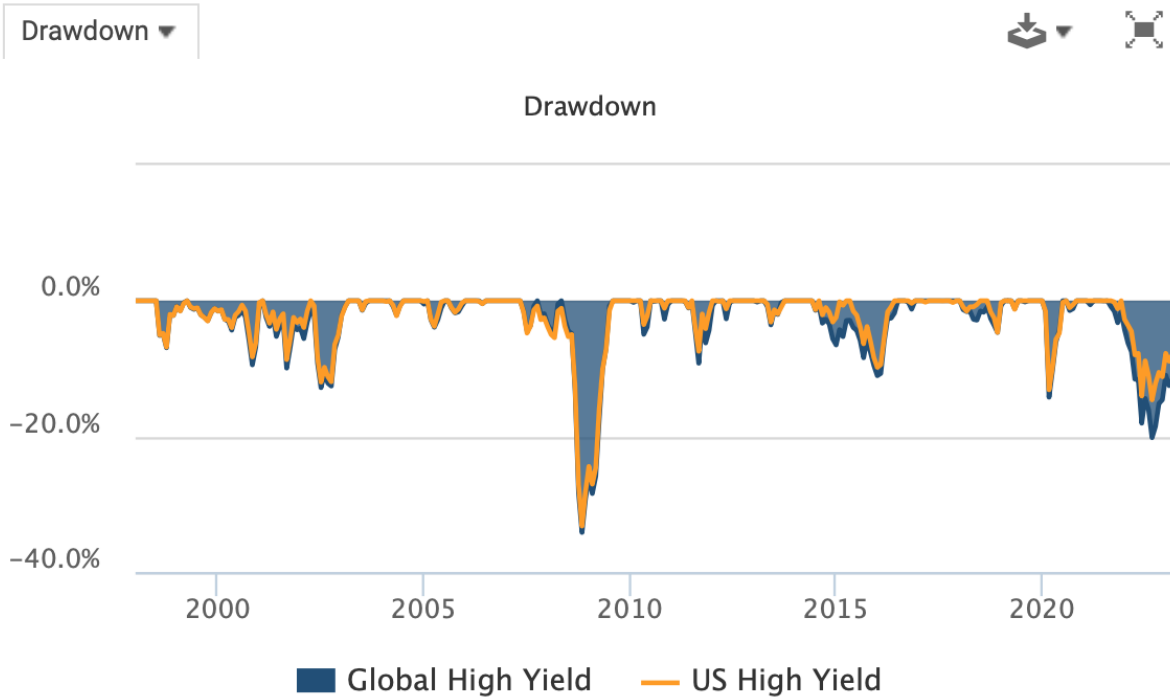
2) Returns are the same (till 31-03-2023):



3) GHY has a somewhat higher standard deviation than US HY (Dec 1997 till 31-03-2023)



4) GHY has a larger drawdown than US HY and the drawdowns tend to last longer (till 30-09-2022)



5) There are small differences in sector, maturity and ratings, but nothing mayor (data as of 28-02-2023)

The US HY market is still the largest part of Global High Yield and is more liquid than Euro HY and EM HY.

Characteristics Summary

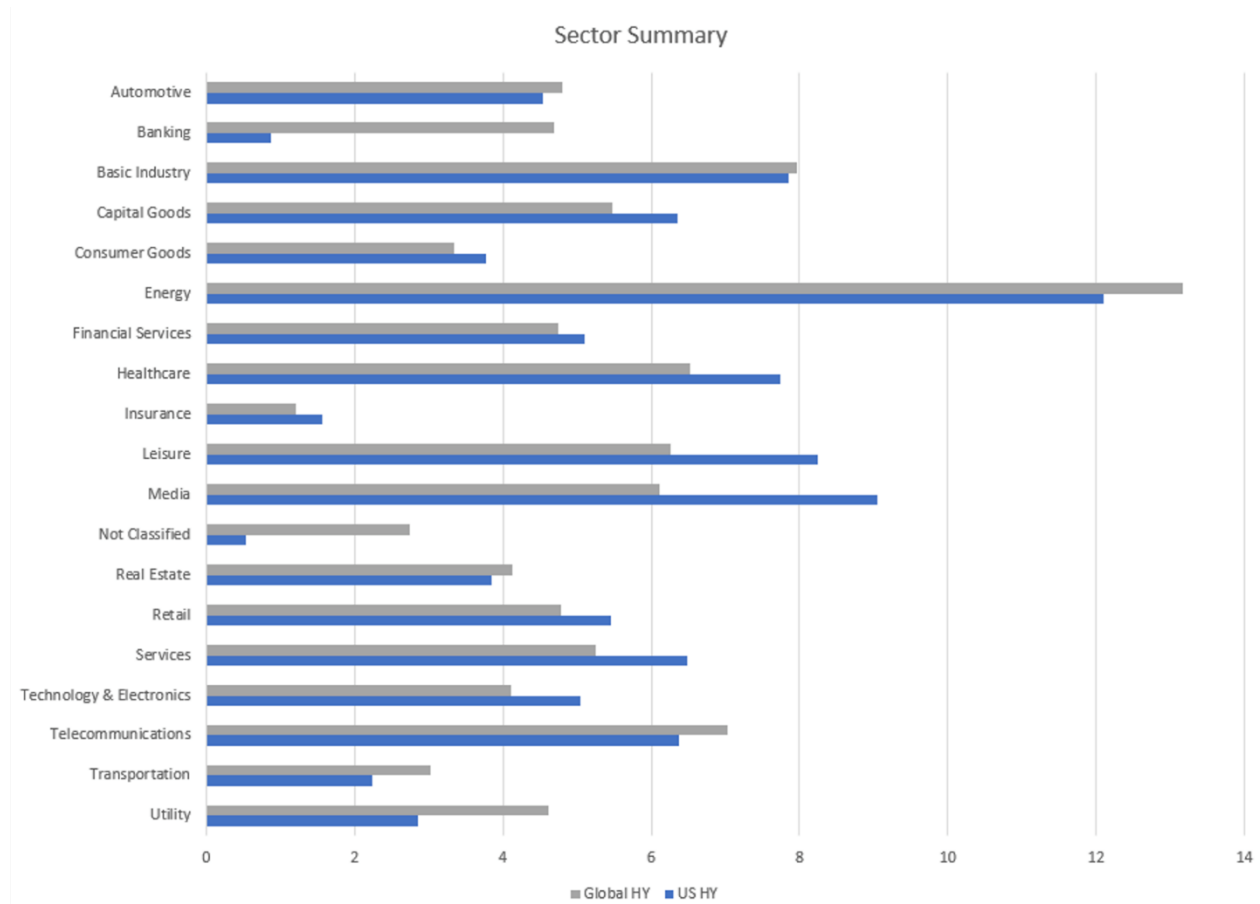
	US HY	Global HY
# Issuances	1,931	3,431
Market Value	1.23 T	2.05 T
Years to Maturity	6.14	6.51
Effective Duration	3.83	3.61
Convexity	0.26	0.24
Price	89.23	88.8
Coupon	5.81	5.40
Rating	B+	B+
Current Yield	6.64	6.21
Yield to Maturity	8.8	8.78
Yield to Worst	8.75	8.66
OAS	415	454

As of 02/28/2023

Sector allocation differences

The US HY market has more energy, an area that cleansed itself during Covid-19 via defaults of the weaker companies. Leisure, Media are other sectors that are much more present in US HY. The GHY market has a much higher exposure to cyclical industries, specifically Banking, which may not be the best area's to support high levels of leverage.

Global HY vs US HY



GHY or US HY?

Institutional investors in Europe often have a Global High Yield mandate and limit themselves to select from a small pool of Global High Yield managers, often with large AUM's and diminishing outperformance.

US HY on a 25y basis has:

- Better returns
 - Lower standard deviation
 - Lower max drawdown
 - One uniform accounting standard
 - Almost 4 times more managers to select from
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Our High Yield Manager

Strategic income Management US High Yield Opportunities:

The SiM US HY strategy is a high conviction, high alpha generating strategy. The unique pragmatic and flexible approach to investing in US HY has worked for over two decades. A daily liquid Art. 8 UCITS fund is available with an AUM of USD 158 million: ISIN Code: [IE00BF1XKP70](#)

As per Q1, 2023 the Strategic income Management (SiM) US High Yield strategy has an **annualized outperformance of 1.94%** over the BofAML US High Yield index, outperforming **ALL** peers according to eVestment since inception in 2011. A core portfolio around long term secular trends is complemented with out of favour sector and small cap issuer allocations. The team successfully employed the same investment strategy for more than 20 years. SiM manages USD 1.7 billion, is employee owned and only manages High Yield. Employees invest their own private wealth alongside you as an investor.

- [Asset Class & Strategy Summary](#)
- [Presentation](#)
- [Peer comparison](#)
- [Factsheet](#)
- [Standard RfP](#)
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