

Thecasesolutions.com

The High-Yield Debt Market



Thecasesolutions.com

The High-Yield Debt Market

Thecasesolutions.com High-Yield Bonds



Thecasesolutions.com What is it anyways?

- I.e. Junk Bond
- High yielding bond with low credit rating
- < BBB rating from S&P or < Baa from Moody's
- Higher return to compensate for higher risks
- Usually issued by companies that is highly leveraged or experiencing financial difficulties



Thecasesolutions.com Risks of High Yield Bonds

- Default Risk
- Interest Rate Risk
- Economic Risk





Thecasesolutions.com How to invest?

- Through a broker or a dealer
- Buying shares in mutual funds or ETFs with a high yield bond focus
- Read through company prospectus



Thecasesolutions.com Terms to take note

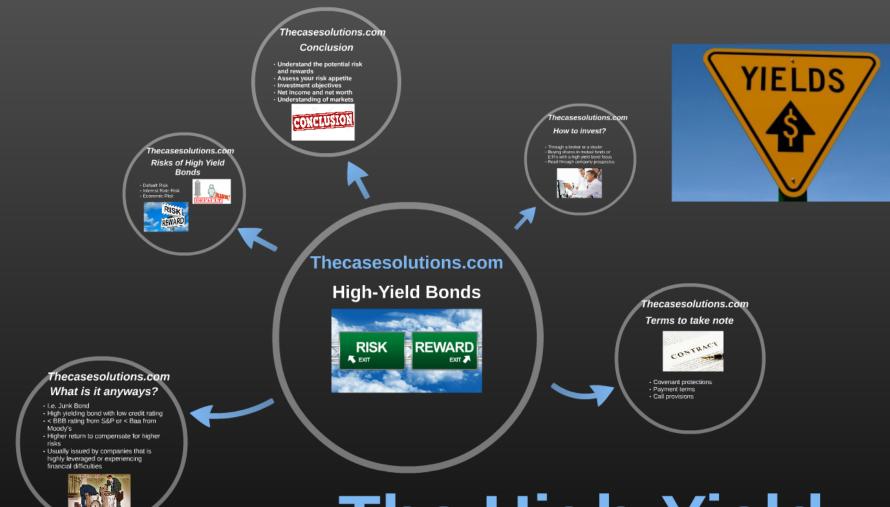


- Covenant protections
- Payment terms
- Call provisions

Thecasesolutions.com Conclusion

- Understand the potential risk and rewards
- Assess your risk appetite
- Investment objectives
- Net income and net worth
- Understanding of markets





Thecasesolutions.com

The High-Yield Debt Market