

Senior Secured Loans

are debt financing instruments made to mid-to-large sized companies with above average gearing levels, rated up to Ba1/BB+.



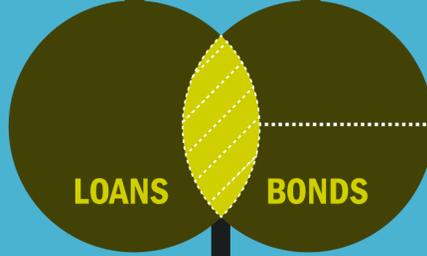
They are secured by assets, including but not limited to:



Companies issuing senior secured loans cover a range of sectors, including:

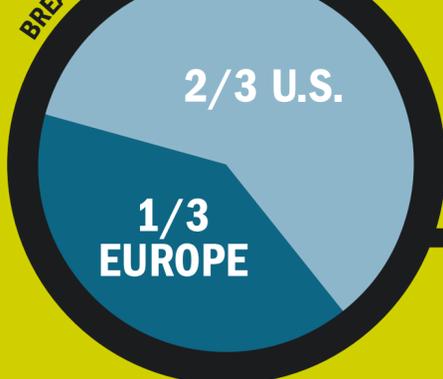
Telecom HealthCare Industrials
Consumer Services
Food Technology
Consumer Goods
Basic Materials
Utilities

Roughly **15% of companies** issue **both loans and bonds**, meaning that senior secured loans offer investors complementary exposure to the high yield bonds.



The notional outstanding volume of senior secured loans exceeds:
USD 1800 bn
Across around **1350 different issuers**

BREAKDOWN BY GEOGRAPHY



At the end of 2016, banks finance 20% of European leveraged loans against more than 80% in 2009

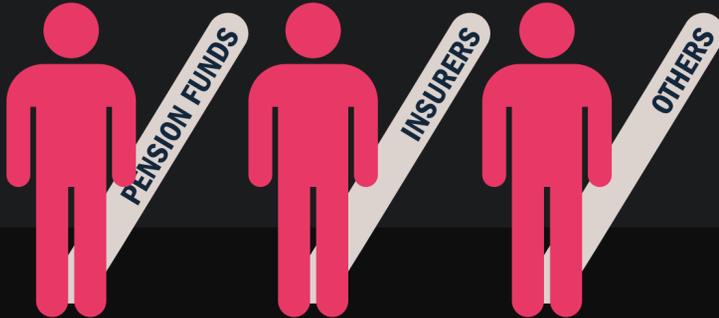
Source : LCD European Leveraged Lending Review Q3 2016.



...leading to an opportunity for

NEW POTENTIAL INVESTORS

looking to further diversify their credit exposure while targeting high income oriented product



Advantages

Senior credit exposure with attractive risk-adjusted returns

Diversification benefits

Floating rate payment (no duration sensitivity)

High income product (4-6 %)



Disadvantages

Credit risk (though lower than high yield bonds)

Moderate liquidity

No upside potential above par value

Callable at any time by issuer

> ACCESS THE FULL ARTICLE

"The Investment Opportunity in Senior Secured Loans" available on axa-im.com

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