

Mizuho Credit Investor Survey

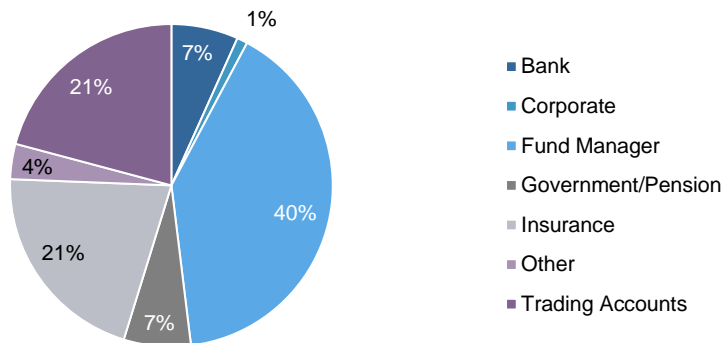
2025 Outlook

MizuhoSynDesk@mizuhogroup.com

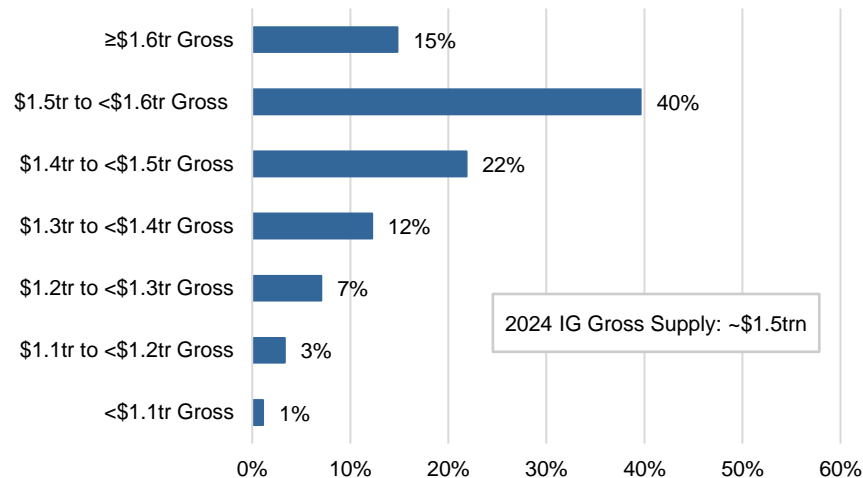
2025 Outlook Survey Results

Demographics

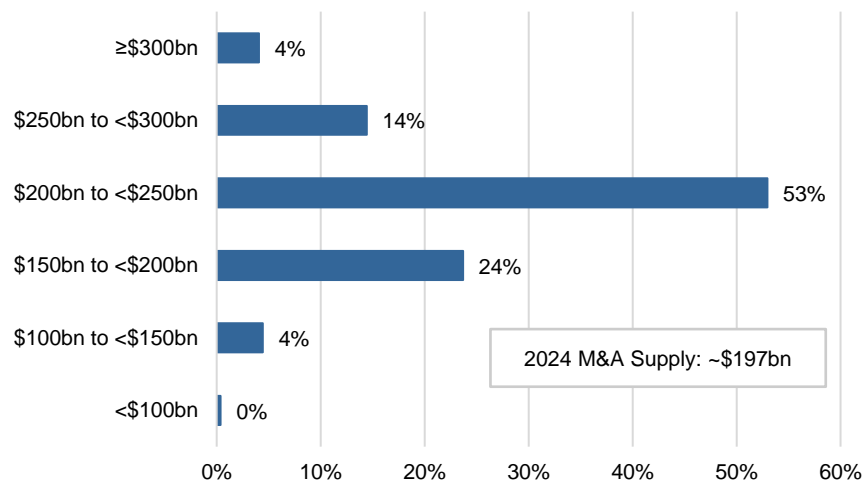
Total Responses **283**



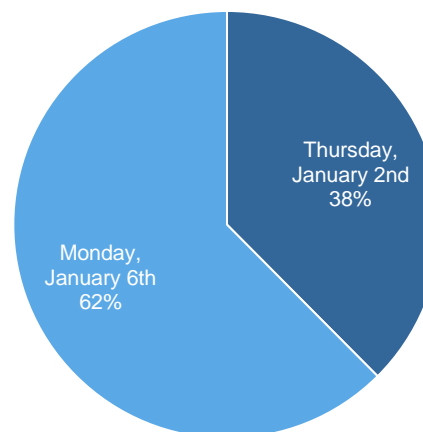
IG Gross Supply Expectations



IG M&A Supply Expectations

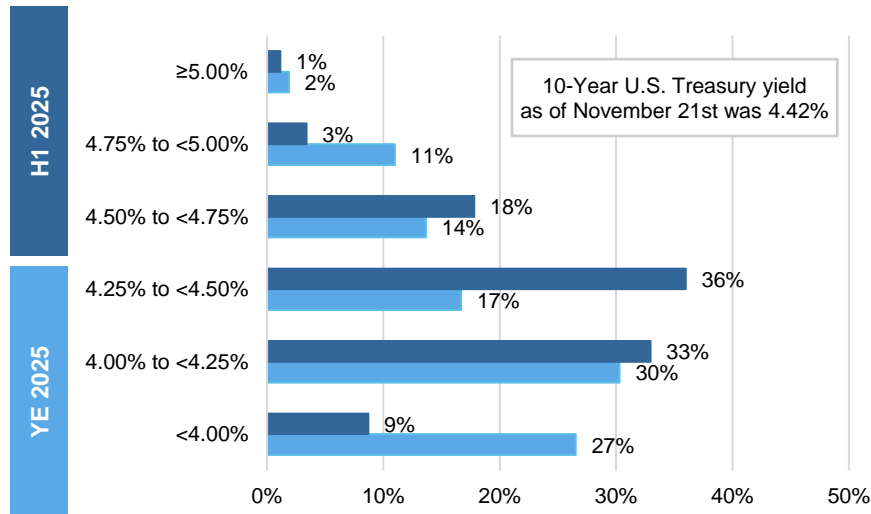


When Will the IG Market Reopen in 2025?

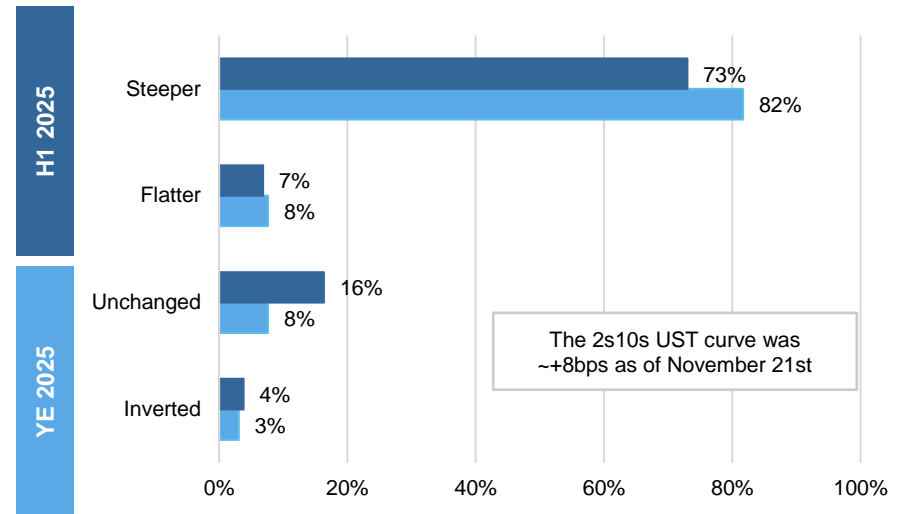


2025 Outlook Survey Results

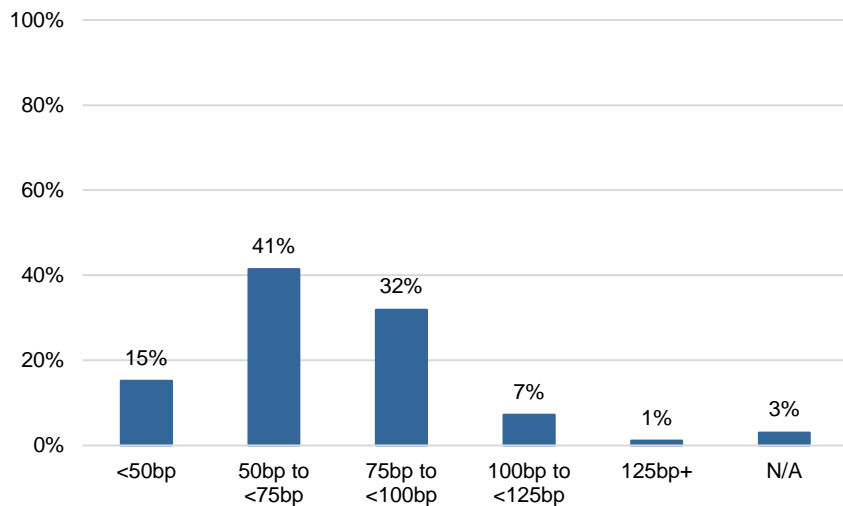
10-Year U.S. Treasury Yield Expectations



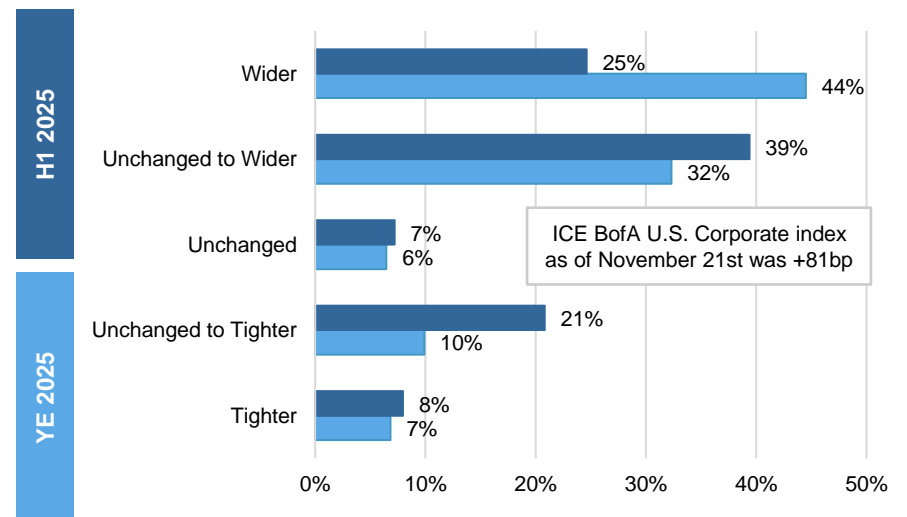
U.S. Treasury Curve Expectations



Federal Reserve Policy Expectations

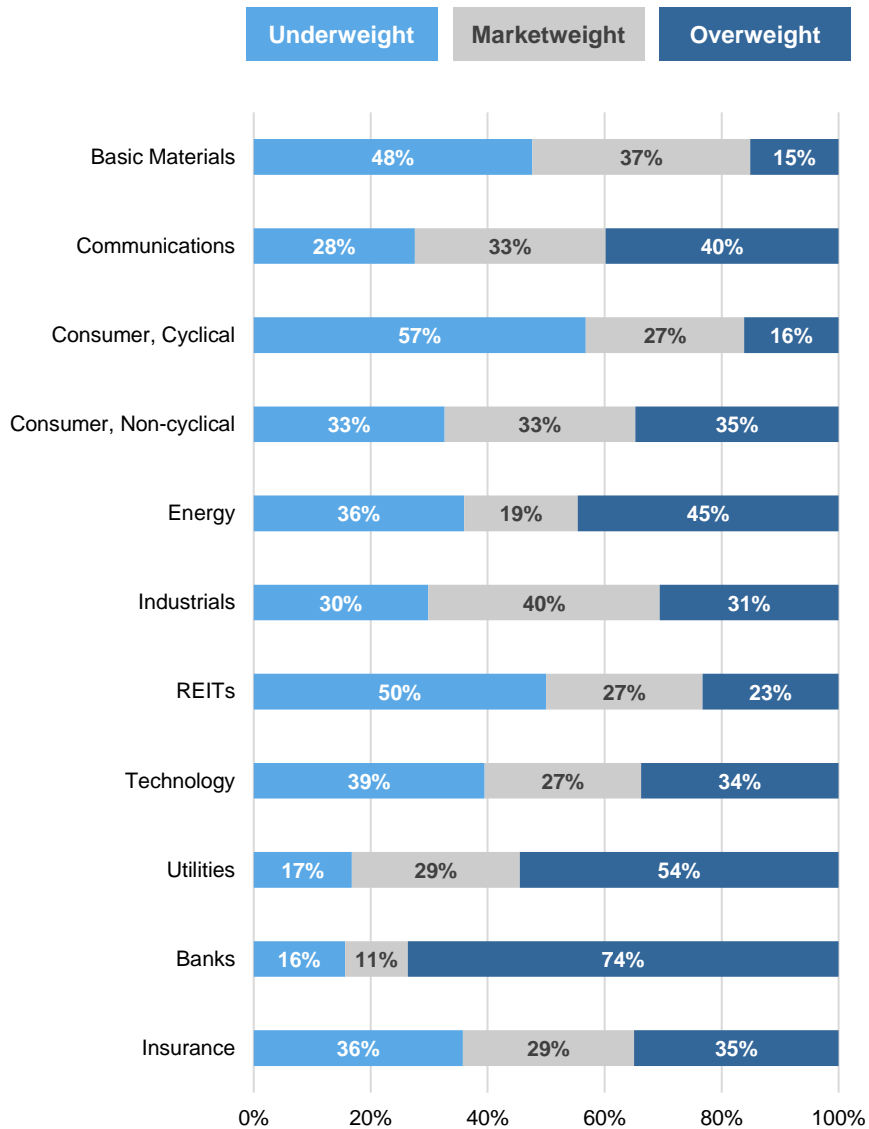


IG Credit Spread Expectations for YE

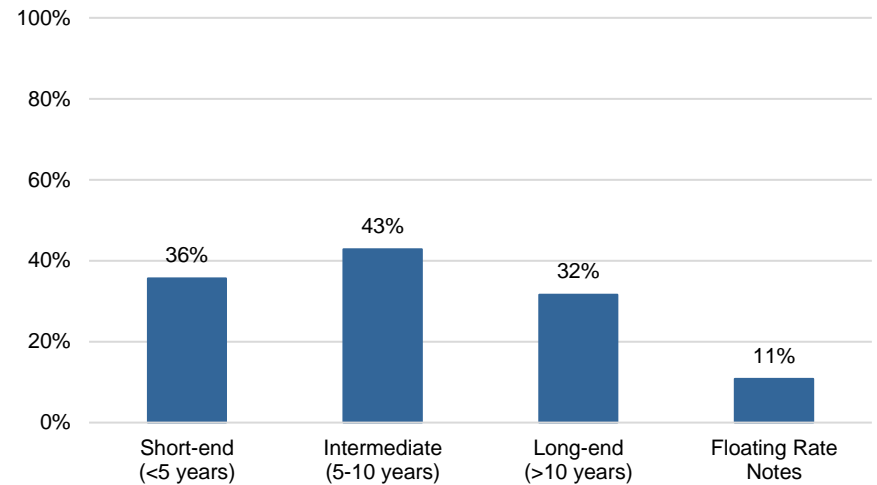


2025 Outlook Survey Results

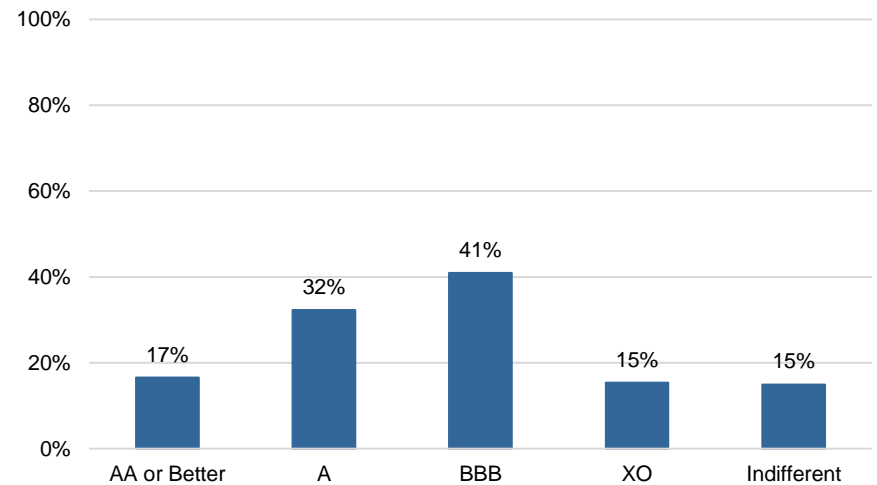
IG Sector Outlook



IG Credit Curve Outperformance Outlook



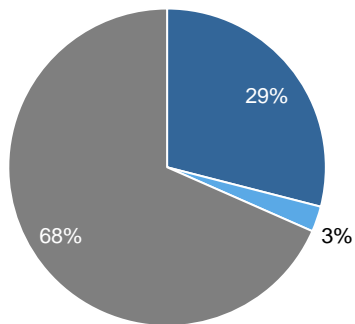
IG Credit Rating Outperformance Outlook



2025 Outlook Survey Results

ESG Debt Products

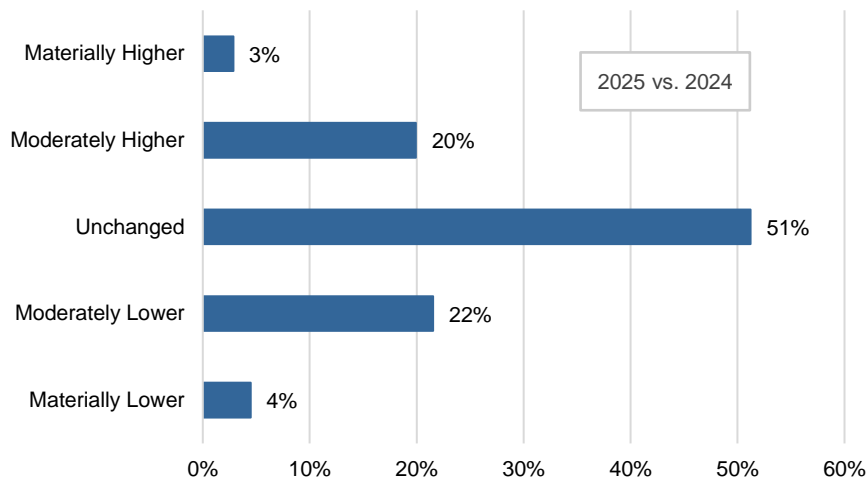
Increase in ESG Bond Holdings over the next 12-24 Months



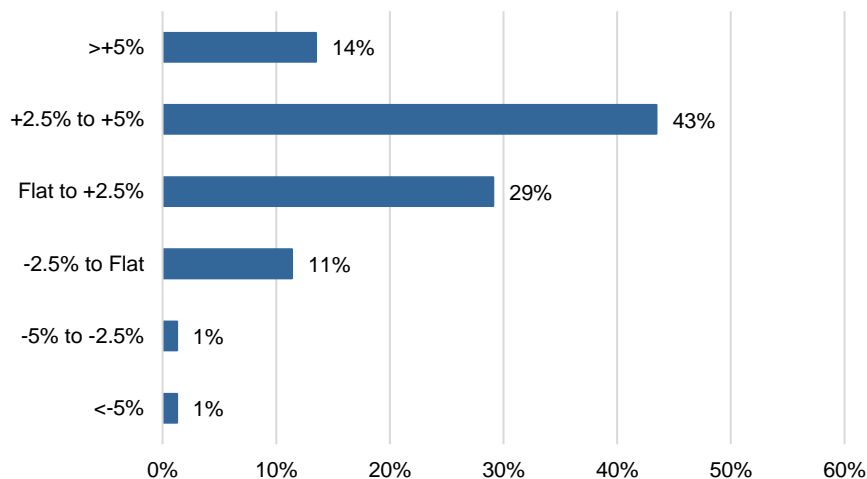
- Yes, but only in line with market growth or AUM growth
- Yes, and it will outpace market growth or AUM growth
- No

Rank		% of Survey
1 st	Credit Focused; ESG not a determinant factor	73%
2 nd	Green	36%
3 rd	Sustainability	27%
4 th	Social	27%
5 th	Sustainability-linked	19%

IG Cash Balances



IG Total Return Expectations for 2024



2025 Outlook Survey Results

Floating Rate Notes

Do you find FRNs more attractive now relative to the beginning of the year given rate expectations?

Yes	No	N/A
27%	41%	32%

Are you willing to buy FRNs with a final maturity date longer than 3 years?

Yes	No	N/A
29%	38%	33%

Holiday Bonus

What is your least favorite holiday dessert?

Rank		% of Survey
1 st	Pie (including Pumpkin & Pecan)	31%
2 nd	Fruit Cake	22%
3 rd	None – Love them all	10%
Honorable Mention	“Pretzel Salad”	-

Top Concerns

Respondents could select up to 3 choices

Rank		% of Respondents
1 st	Geopolitical Tensions	54%
2 nd	Inflation	51%
3 rd	U.S. Deficit	39%
4 th	Global Growth	24%
5 th	Timing/Pace of Monetary Policy	22%

Appendix

Questions

1

After seeing ~\$1.5tr of gross supply in 2024 (~\$785bn net supply), what is your IG gross supply forecast for 2025, taking into account we expect ~\$857bn of total redemptions (compared to ~\$740bn heading into last year)?

<\$1.1tr Gross	1%
\$1.1tr to <\$1.2trn Gross	3%
\$1.2tr to <\$1.3trn Gross	7%
\$1.3tr to <\$1.4trn Gross	12%
\$1.4tr to <\$1.5trn Gross	22%
\$1.5tr to <\$1.6trn Gross	40%
≥\$1.6tr Gross	15%

2

M&A related issuance 2024 YTD stands at ~\$192bn, which is the highest volume figure since 2019 (\$192.8bn). What is your M&A supply forecast for 2025, taking into account average issuance over the last 3 was ~\$139bn?

<\$100bn	0%
\$100bn to <\$150bn	4%
\$150bn to <\$200bn	24%
\$200bn to <\$250bn	53%
\$250bn to <\$300bn	14%
≥\$300bn	4%

3

When do you anticipate the IG primary market to open in 2025?

Thursday, January 2 nd	38%
Monday, January 6 th	62%

4

As of November 21st, the ICE BofA U.S. Corporate index was just 4bp off the YTD lows hit following the election at +81bp. This was 57bp tighter than where we started the year (+138bp) & 31bp off the YTD high (+112bp on 8/5). Where do you expect credit spreads to be at the end of:

<u>H1 2025</u>		<u>YE 2025</u>	
Tighter	8%	Tighter	7%
Unchanged to Tighter	21%	Unchanged to Tighter	10%
Unchanged	7%	Unchanged	6%
Unchanged to Wider	39%	Unchanged to Wider	32%
Wider	25%	Wider	44%

Questions

5

As of November 21st, the 10yr UST yield was 4.42%, which was 29bp off the highs hit in April, but significantly higher than the September lows (3.62%). Where do you expect the 10yr UST yield to be at the end of:

<u>H1 2025</u>		<u>YE 2025</u>	
<4.00%	9%	<4.00%	27%
4.00-<4.25%	33%	4.00-<4.25%	30%
4.25-<4.50%	36%	4.25-<4.50%	17%
4.50-<4.75%	18%	4.50-<4.75%	14%
4.75-<5.00%	3%	4.75-<5.00%	11%
≥5.00%	1%	≥5.00%	2%

6

As of November 21st, the 2s10s UST spread was ~+8bp after becoming positively sloped in early September. What do you expect the shape of the UST curve to be at the end of:

<u>H1 2025</u>		<u>YE 2025</u>	
Inverted	4%	Inverted	3%
Unchanged	16%	Unchanged	8%
Flatter	7%	Flatter	8%
Steeper	73%	Steeper	82%

7

If you expect the Fed to cut rates in 2025, how many cuts do you expect to take place by YE?

<50bp	15%
50bp to <75bp	41%
75bp to <100bp	32%
100bp to <125bp	7%
125bp+	1%
N/A	3%

Questions

8 Sectors

I. Overweight (please select up to 3)

Basic Materials	15%
Communications	40%
Consumer, Cyclical	16%
Consumer, Non-cyclical	35%
Energy	45%
Industrials	31%
REITs	23%
Technology	34%
Utilities	54%
Banks	74%
Insurance	35%

II. Underweight (please select up to 3)

Basic Materials	48%
Communications	28%
Consumer, Cyclical	57%
Consumer, Non-cyclical	33%
Energy	36%
Industrials	30%
REITs	50%
Technology	39%
Utilities	17%
Banks	16%
Insurance	36%

III. Marketweight (please select up to 3)

Basic Materials	37%
Communications	33%
Consumer, Cyclical	27%
Consumer, Non-cyclical	33%
Energy	19%
Industrials	40%
REITs	27%
Technology	27%
Utilities	29%
Banks	11%
Insurance	29%

9 What are you most concerned about heading into 2025? (please select up to 3)

Inflation	51%
Debt Ceiling	7%
US Deficit	39%
Corporate Earnings	10%
Supply	5%
Commodity Prices	3%
Geopolitical Tensions	54%
USD Volatility	4%
Timing/Pace of Monetary Policy	22%
Stagflation	13%
Global Growth	24%
Supply Chain	8%

10 As of November 21st, the spread differential between the BofA ICE 'A' and 'BBB' indices was +34bp, which is 7bp tighter than the differential at the beginning at the year (+41bp) & -3bp since the conclusion of H1 '24 (+37bp). Which part(s) of the credit spectrum do you expect to outperform? (select all that apply)

AA or Better	17%
A	32%
BBB	41%
XO	15%
Indifferent	15%

Questions

11 What part of the credit curve do you expect to outperform in 2024? (select all that apply)

Short-end (<5 years)	36%
Intermediate (5-10 years)	43%
Long-end (>10 years)	32%
Floating Rate Notes	11%

12 Do you find Floating Rate Notes more attractive now relative to the beginning of the year given rate expectations?

Yes	27%
No	41%
N/A	32%

13 Are you willing to buy FRNs with a final maturity date longer than 3 years?

Yes	29%
No	38%
N/A	33%

14 How does your cash balance allocated to IG for 2025 compare to 2024?

Materially Lower	4%
Moderately Lower	22%
Unchanged	51%
Moderately Higher	20%
Materially Higher	3%

15 What is your expected IG total return for 2024?

<-5%	1%
-5% to -2.5%	1%
-2.5% to Flat	11%
Flat to +2.5%	29%
+2.5% to +5%	43%
>+5%	14%

Questions

16 Which of the following sustainable debt products do you invest in? (select all that apply)

Green	36%
Social	27%
Sustainability	27%
Sustainability-linked	19%
Credit Focused; ESG not a determinant factor	73%

17 Will you increase your ESG bond holdings over the next 12-24 months?

Yes, but only in-line with market growth or AUM growth	29%
Yes, and it will outpace market growth or AUM growth	3%
No	68%

18 What is your least favorite holiday dessert?

Pie	31%
Fruit Cake	22%
None - Love 'em all	10%
Other	6%
Egg Nog	6%
Sugar Cookies	6%
Anything w/ cranberries	5%
Bread Pudding	4%
Candy Canes	3%
Whipped cream	2%
Licorice	2%
Panettone	2%
Gingerbread cookies	2%
Carrot Cake	1%

Disclaimer

- Confidentiality
The following proprietary presentation (the “Presentation”) is given for general informational purposes only and shall be kept strictly confidential. Your receipt of such information confirms your agreement and acknowledgement of the following terms and conditions. You agree that you will, and you will cause your parents, subsidiaries and affiliates and your and their respective directors, partners, officers, employees, advisors and representatives to use the information in the Presentation only to evaluate your potential interest in the transactions and/or services described herein and you, and they, will not divulge any of such information to any other party, except as otherwise required by law or regulation. Any retransmission or reproduction of the information in the Presentation, in whole or in part, in any format is prohibited, unless otherwise required by law or regulation.
- No Commitment
You understand and agree that none of Mizuho Bank, Ltd., Mizuho Bank (USA), Mizuho Capital Markets LLC, Mizuho Securities USA LLC or any of their respective affiliates (individually or together, as the context may require or admit, “Mizuho”) has made any commitment to provide you or any of your affiliates or any other party on your behalf any financing, products or services with respect to any matters contemplated by the Presentation. Until receipt of necessary internal approvals and until a definitive agreement is executed and delivered by all parties thereto, there shall be no legal obligations owed by either party of any kind whatsoever (other than those relating to confidentiality) with respect to any of the material contained in the Presentation.
- No Representations
No representation, warranty or other assurance of any kind is made with respect to the accuracy, completeness or suitability of any information in the Presentation, including any data obtained from third party sources, and neither Mizuho nor any officer, director, employee, agent, advisor or controlling person of Mizuho have any liability relating to or arising from the use of any of the information in the Presentation or for any errors therein or omission therefrom. All of the information contained in the Presentation is subject to further modification, and any and all opinions, forecasts, projections or forward-looking statements contained herein shall not be relied upon as facts nor relied upon as any representation of future results which may materially vary from such opinions, forecasts, projections or forward looking statements. Mizuho does not have any obligation to update any of the information contained in this Presentation. Any prior results, modeling, valuations or back-testing included in the Presentation are for illustration purposes only. Past performance is not a guarantee or indication of future results. Any pricing information provided herein (other than those identified as being historical) are indicative only and do not represent firm quotes as to either price or size. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling, valuation or back-testing. This material may contain information obtained from third parties and distribution of third party content in any form may be prohibited except with the prior written permission of the related third party. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content.
- Suitability
Products described in the Presentation may be speculative and are only suitable for financially sophisticated investors who are willing and able to accept their inherent risks, including a total loss of investment. You understand and agree that by providing you with this Presentation, Mizuho has not made a suitability determination with respect to you or any other person.
- No Reliance on Mizuho/Independent Assessment and Decisions
You understand and agree that Mizuho is not acting as your agent, fiduciary or advisor with respect to any matters contemplated by the Presentation. You should obtain your own independent advice on the financial, legal, accounting and tax aspects of the proposed solution outlined in the Presentation. You agree that you are not relying and will not rely on any communication (written or oral) of Mizuho as investment advice or as a recommendation to enter into any transaction, and that you are capable of assessing the merits of and understanding (on your own behalf or through independent professional advice), and should you enter into a definitive agreement with Mizuho, you will do so because you have conducted such investigations and performed such diligence as you deemed appropriate and you understand and accept the terms and conditions and risks (including, but not limited to, economic, competitive, operational, financial, credit, legal, accounting and tax risks) of such transaction. Mizuho does not in any way warrant, represent, or guarantee the financial, accounting, legal or tax results of the transaction described in the Presentation nor does it hold itself out as a financial, legal, tax or accounting advisor to any party.
- Disclaimer
The Presentation is provided for informational purposes only and does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any security or instrument (including, without limitation, any commodity, equity, bond, futures contract or option on any futures contract or related derivative) or to participate in any trading strategy or a recommendation to do any of the foregoing. Nothing contained herein is in any way intended by Mizuho to offer, solicit and/or market any security, loan, derivative or any related product which Mizuho is otherwise prohibited by U.S., Japanese, or any other applicable laws, rules, regulations, or guidelines from offering, soliciting, or marketing. Any products discussed in the Presentation may not be registered with the U.S. Securities and Exchange Commission or any state agency, and accordingly may only be sold under an applicable exemption from registration. Offers or sales of securities will only be made by means of a final offering document. Mizuho disclaims any responsibility, obligation, loss or liability, whether in contract, tort (including, without limitation, negligence), equity or otherwise, for the quality, accuracy or completeness of the information contained in this Presentation, and for any reliance on this Presentation or any uses to which it is put, and you are solely responsible for any use to which you put such information. Mizuho further disclaims any civil responsibility for any legal recourse caused by action or omission derived from this Presentation. Without limiting any of the foregoing, to the fullest extent permitted by applicable law, in no event shall Mizuho have any liability for any special, punitive, indirect, or consequential damages (including lost profits or lost opportunity), in connection with the information contained in this Presentation or the use or distribution thereof, even if notified of the possibility of such damages.

Disclaimer (cont'd)

- **Derivatives Transactions**
Mizuho engages in market making, investing and lending businesses for its own account and the accounts of its affiliates in the same or similar instruments underlying derivative transactions (including such trading as Mizuho deems appropriate in its sole discretion to hedge its market risk in any derivative transaction whether between Mizuho and you or with third parties) and such trading may affect the value of a derivative transaction. With respect to derivative transactions, documents presented to you and our discussions with you present one or more of the possible ways of using derivative products. You should only enter into a derivative transaction and the underlying documentation/contracts (collectively a "derivative transaction") after you have obtained a sufficient understanding of the details and consequences (including potential gain and loss consequences) of entering into a derivative transaction.
- To understand clearly the terms and conditions of any derivative transaction you may enter into, you should carefully review all relevant documents, including the Master Agreement, and any related schedules, credit support documents, addenda and exhibits. You should not enter into derivative transactions unless you understand the terms of the transaction you are entering into as well as the nature and extent of your risk exposure. You should also be satisfied that the derivative transaction is appropriate for you in light of your circumstances and financial condition. You may be requested to post margin or collateral to support written derivatives at levels consistent with the internal policies of Mizuho. Furthermore, there is no public market for derivative transactions and, therefore, it may be difficult or impossible to liquidate an existing position on favorable terms. Derivative transactions entered into with Mizuho cannot be assigned or otherwise transferred without its prior written consent and, therefore, it may be impossible for you to transfer any derivative transaction to a third party. The actual terms and conditions of the derivative transaction that you enter into with a counterparty will be determined by the parties and by prevailing market conditions at the time that you enter into the derivative transaction with that counterparty. Consequently, you should carefully review the specific terms and conditions of your derivative transaction at that time as they may vary materially from the information set forth in the Presentation, discussions you or representatives have had with us and other materials and information provided to you by us or our representatives. You agree that the final decision to enter into a derivative transaction is solely yours and such decision was made solely at your discretion after you had independently evaluated all the risks and benefits associated with the derivative transaction. If you choose to terminate or cancel a derivative transaction early, you may be required to pay a derivatives transaction termination payment to the counterparty. In the event that the creditworthiness of your counterparty under the derivative transaction deteriorates, a possibility exists that you may not attain the financial effect that you may have originally intended to achieve at the time that you entered into the derivative transaction, and that you may incur an expense and/or loss. For derivative transactions where you have the right or an option to make an election as to any matter, please note that there may be limitations on your ability to do so, including, without limitation, restrictions on the period during which you can make such election. Additionally, it may not be possible for you to hedge any of your then-current or future exposure under a derivative transaction when you wish to do so and you may not be able to determine the feasibility of any such hedge in a timely manner.
- **Tax Disclaimer**
Any tax aspects of this proposed financial solution are non-confidential, and you may disclose any such aspects of the transaction described in the Presentation to any and all persons without limitation. To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (A) any discussion of U.S. Federal tax issues contained or referred to in the Presentation or any document referred to herein is not intended or written to be used, and cannot be used, by prospective investors to avoid penalties that may be imposed on them under the United States Internal Revenue Code of 1986, as amended; (B) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (C) prospective investors should seek advice on their particular circumstances from an independent tax advisor.
- **Mizuho Information**
The reference throughout the Presentation to Mizuho may be a generic reference to Mizuho and its affiliates. Accordingly, the legal entity which may, in its sole discretion, decide to enter into any transaction or provide any service described in the Presentation may, at the option of Mizuho and subject to any legal/regulatory requirement, be any Mizuho affiliate, such as Mizuho Bank, Ltd., Mizuho Bank (USA) acting as agent for Mizuho Bank Ltd., Mizuho Capital Markets LLC (a CFTC-provisionally registered swap dealer), or Mizuho Securities USA LLC (a registered U.S. broker-dealer with the Securities Exchange Commission and a registered futures commission merchant with the CFTC). Mizuho Securities USA LLC is the entity through which Mizuho generally conducts its investment banking, capital markets, and securities business in the United States).
- Mizuho provides a diverse range of financial products and services to its customers and counterparties on a global basis. On occasion representatives from more than one Mizuho entity may interface with customers and counterparties with respect to these products and services. During this process you may deal with persons who are employed by more than one member of the Mizuho corporate family. It is Mizuho's policy that each such employee clearly identifies to current and prospective customers and counterparties the particular Mizuho entity he or she is representing and in which capacity such employee is operating. If at any time you are unsure of the Mizuho entity a particular Mizuho employee is representing, you are encouraged to clarify this matter with such employee.
- A conflict of interest may arise between the transactions contemplated in this Presentation and other transactions in which Mizuho engages or services Mizuho provides. For example, some of the assets and instruments described in the Presentation may consist of obligations of entities sponsored or serviced by Mizuho, obligations of companies for which Mizuho has acted as underwriter, agent, placement agent, initial purchaser or dealer or for which Mizuho has acted as lender or provided other commercial or investment banking services, or derivative instruments related to such obligations. Mizuho may act as investor, initial purchaser, underwriters, dealer and/or placement agent in, or undertake other transactions involving, instruments discussed in the Presentation or may provide or have provided related derivative instruments or other related commercial or investment banking services with respect thereto, which may have an adverse impact on transactions contemplated in the Presentation. You may not be informed of these other transactions. Mizuho, its employees or its clients may act as a counterparty to any order that you place, enter into transactions contrary to any recommendation contained herein or in any other recommendation you have received from Mizuho, or have short or long positions or act as principal or agent in any securities mentioned herein, or enter into derivative transactions relating thereto or perform or seek financial or advisory services for the issuers of those securities or financial instruments.
- Any non-public information provided to Mizuho will be maintained in accordance with Mizuho's internal policies and will be shared with other Mizuho affiliates to the extent deemed necessary by Mizuho to consummate the transaction or provide the product or service described in the Presentation, unless Mizuho otherwise agrees in writing. Additionally, Mizuho may use your confidential information to introduce and/or offer you or your affiliates new products and services. To the extent existing agreements do not otherwise permit such "cross selling", a Mizuho representative may seek your consent to share your confidential information with its affiliates if required by Japanese, U.S. or other applicable law.