

HilltopSecurities Releases 2022 High Yield Impact Survey

12/8/2022

Results Highlight Sectors of Most and Least Concern, Biggest Perceived Challenges in 2023, and More

DALLAS--(BUSINESS WIRE)-- Hilltop Securities Inc. (HilltopSecurities) recently published its second annual **High Yield Impact Survey**, drawing on the opinions of 110 market professionals to highlight thought leadership on issues driving the High Yield sector.

"I was pleased to see a 25% year-over-year participation increase in the survey, which helped highlight and refine sector trends that we are following," said HilltopSecurities Head of Municipal Credit Yaffa Rattner.

Insights from the survey include:

- While 50% of respondents are expecting another increase of 50 basis points on BBB bond yields by July 1, 2023, remaining respondents are split equally between bond yields staying the same or actually decreasing.
- ESG designation is nice to have according to more than 90% of respondents, but that designation does not carry any tangible value.
- Senior living, skilled nursing, project finance, and health care, together comprise the sectors that are most concerning, highlighting the financial vulnerability introduced by labor shortages and wage pressures.
- Respondents are not worried about the impact that working from home might have on revenue streams, nor are they worried about the hotel industry or charter schools.
- The survey unequivocally projects that COVID-19 will not be an issue in 2023.
- Investors would like to add exposure to toll road/airport, land secured, and charter school sectors.
- Investors that participate in land secured transactions are focused on location and value to lien and are

increasingly concerned about Colorado land secured credits.

- The No. 1 issue in High Yield project evaluation is assessment of liquidity and equity followed by management and covenant package, and in the case of project finance, respondents want to see technology that works and equity.

The survey's respondents included a diverse group of market participants including investors, sell side intermediaries, bankers and advisors, rating analysts, attorneys, insurers, and others. It was conducted from Nov. 7-22.

About Hilltop Securities Inc.

Hilltop Securities Inc. delivers forthright advice and tailored solutions to municipal issuers, institutions, broker-dealers, and individuals. The full-service investment bank and registered investment adviser is headquartered in Dallas, Texas, with offices across the United States. Areas of focus include public finance; municipal and taxable fixed income underwriting, sales, and trading; retail brokerage services; securities clearing; structured finance; and securities lending. A wholly owned subsidiary of Hilltop Holdings Inc. (NYSE: HTH), HilltopSecurities' affiliates include Momentum Independent Network Inc., PlainsCapital Bank, and PrimeLending. Learn more at www.HilltopSecurities.com. Member: NYSE/FINRA/SIPC.

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