

Volatility is the degree of variation of a trading-price series over time.

The Japanese yen (JPY) is the official currency of Japan.

Yield is the income return on an investment referring to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

A yieldco is a publicly traded company that is formed to own operating assets that produce a predictable cash flow, primarily through long term contracts. The goal is to reduce financing costs (for example by securing cheaper debt financing).

**Investment traffic lights (pages 10–11): comments regarding our tactical and strategic view**

**Tactical view:**

— The focus of our tactical view for fixed income is on trends in bond prices, not yields.

**Strategic view:**

— The focus of our strategic view for sovereign bonds is on yields, not trends in bond prices.

— For corporates and securitized/specialties bonds, the arrows depict the respective option-adjusted spread.

— Both spread and yield trends influence the bond value. Investors who aim to profit only from spread trends must hedge against changing interest rates.