



Second Quarter 2011 Credit Outlook

Expected direction Credit Spreads will move over the course of the next 3 months

Percent of total respondents selecting the option.	Up (widen) Jun-11	Unchanged Jun-11	Down (narrow) Jun-11	IACPM 3 Months Credit Spread Outlook Index (positive numbers indicate credit improvement)				
				Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
CDX North America Investment Grade 5Y vs. 96*	18%	42%	40%	22.2	22.9	56.0	21.1	(17.4)
CDX North America High Yield 5Y vs. 486*	22%	40%	38%	15.6	12.5	56.0	25.0	(20.0)
iTraxx Europe 5Y vs. 111*	29%	37%	34%	4.9	(4.4)	21.7	22.4	(25.0)
iTraxx Europe Crossover 5Y vs. 413*	32%	32%	36%	4.9	(2.2)	30.4	14.3	(18.2)

IACPM Major Markets Credit Spread Outlook Index (weighted average based on number of responses)

12.2 7.5 41.7 20.9 (20.1)

*Values as of June 29, 2011 in basis points; Source: Markit

Expected direction Credit Default Rates will move over the course of the next 12 months (annual twelve month trailing)

Percent of total respondents selecting the option.	Up Jun-11	Unchanged Jun-11	Down Jun-11	IACPM 12 Months Credit Default Outlook Index (positive numbers indicate credit improvement)				
				Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
Average Corporate	21%	42%	37%	15.6	30.7	53.0	27.6	4.7
Average Retail/ Consumer Mortgage	28%	41%	31%	2.5	23.1	35.0	17.7	(10.5)
Average Commercial Real Estate	28%	42%	30%	1.7	2.8	12.8	(2.4)	(25.0)

IACPM Aggregate Credit Default Outlook Index (weighted average based on number of responses)

7.1 19.4 34.3 14.8 (10.0)

