



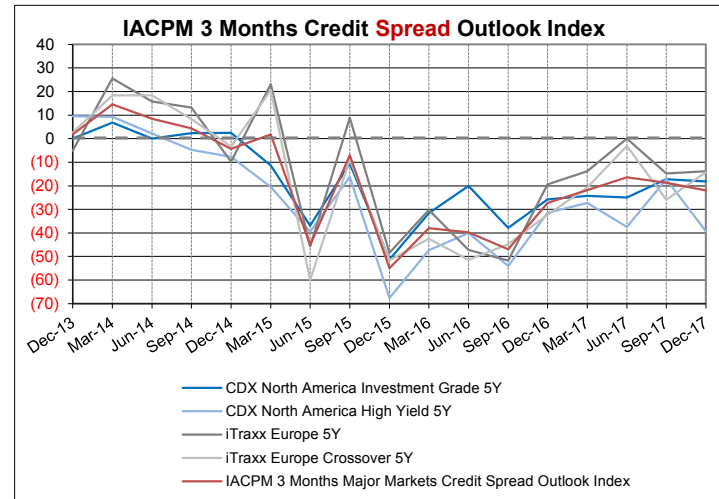
Fourth Quarter 2017 Credit Outlook

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

Percent of total respondents selecting the option.	Up (widen)	Unchanged	Down (narrow)	IACPM 3 Months Credit Spread Outlook Index (positive numbers indicate credit improvement)				
	Dec-17	Dec-17	Dec-17	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
CDX North America Investment Grade 5Y	42%	33%	24%	(18.2)	(17.2)	(25.0)	(24.2)	(25.7)
CDX North America High Yield 5Y	58%	24%	18%	(39.4)	(17.2)	(37.5)	(27.3)	(31.4)
iTraxx Europe 5Y	38%	38%	24%	(13.8)	(14.8)	0.0	(13.8)	(19.4)
iTraxx Europe Crossover 5Y	43%	29%	28%	(14.3)	(25.9)	(3.1)	(20.7)	(32.3)

IACPM 3 Months Major Markets Credit Spread Outlook Index (weighted average based on number of responses)

(22.0) (18.8) (16.4) (21.8) (27.3)



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	Unchanged	Down	IACPM 12 Months Credit Default Outlook Index (positive numbers indicate credit improvement)				
	Dec-17	Dec-17	Dec-17	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Average Corporate	40%	43%	16%	(24.0)	(33.9)	(31.1)	(28.9)	(29.6)
North America Corporate	44%	38%	18%	(26.5)	(41.7)	(41.2)	(20.0)	(13.9)
Europe Corporate	32%	44%	24%	(8.8)	(21.9)	(30.3)	(38.9)	(33.3)
Asia Corporate	47%	47%	5%	(42.1)	(47.8)	(27.3)	(37.5)	(58.8)
Australia Corporate	41%	47%	12%	(29.4)	(22.2)	(17.6)	(19.0)	(26.7)
Average Retail/ Consumer Mortgage	50%	38%	12%	(38.3)	(41.1)	(42.3)	(33.6)	(41.3)
Average Commercial Real Estate	41%	48%	11%	(29.2)	(34.0)	(41.3)	(31.5)	(43.5)

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

(30.3) (36.3) (38.0) (31.3) (37.9)

