

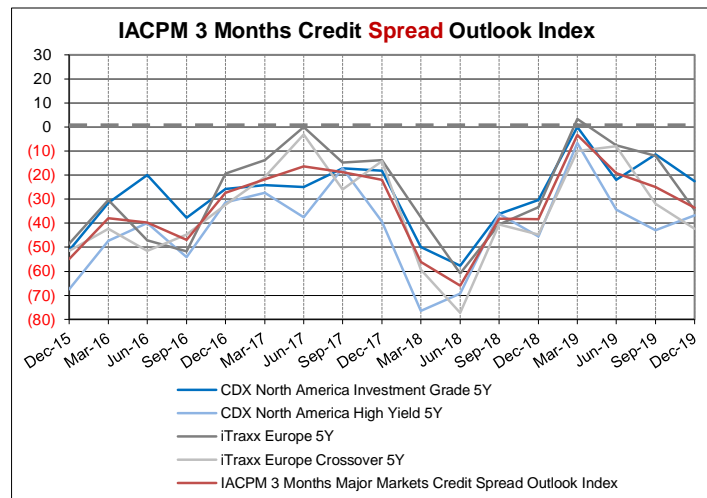


Fourth Quarter 2019 Credit Outlook

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 <i>(positive numbers indicate credit improvement)</i>				
	Dec-19	Dec-19	Dec-19	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
CDX North America Investment Grade 5Y	32%	58%	10%	(22.6)	(11.4)	(21.9)	0.0	(30.3)
CDX North America High Yield 5Y	50%	37%	13%	(36.7)	(42.9)	(34.4)	(6.7)	(45.5)
iTraxx Europe 5Y	42%	50%	8%	(34.6)	(12.0)	(7.7)	3.3	(33.3)
iTraxx Europe Crossover 5Y	50%	42%	8%	(42.3)	(32.0)	(8.0)	(10.0)	(44.8)

IACPM 3 Months Major Markets Credit Spread Outlook Index <i>(weighted average based on number of responses)</i>	(33.6)	(25.0)	(19.1)	(3.3)	(38.4)
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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 <i>(positive numbers indicate credit improvement)</i>				
	Dec-19	Dec-19	Dec-19	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
Average Corporate	48%	47%	4%	(44.0)	(60.2)	(49.1)	(50.0)	(72.3)
North America Corporate	59%	38%	3%	(56.8)	(66.7)	(59.5)	(50.0)	(75.7)
Europe Corporate	55%	42%	3%	(51.5)	(66.7)	(42.4)	(47.2)	(73.5)
Asia Corporate	38%	58%	4%	(34.6)	(57.7)	(47.6)	(52.2)	(78.3)
Australia Corporate	30%	60%	10%	(20.0)	(36.8)	(40.0)	(52.4)	(55.6)
Average Retail/ Consumer Mortgage	48%	47%	5%	(43.4)	(55.5)	(52.1)	(59.8)	(71.0)
Average Commercial Real Estate	44%	49%	7%	(37.7)	(52.7)	(34.4)	(58.0)	(69.7)

IACPM Aggregate Credit Default Outlook Index <i>(weighted average based on number of responses)</i>	(41.8)	(56.2)	(45.4)	(55.7)	(71.1)
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