



January 12, 2015

Dear Credit Roundtable Member,

Last year marked another strong year for the Credit Roundtable (CRT) as our membership continues to grow, now with 37 members, up from 35 a year ago, representing more than \$4 trillion of assets under management.

During the year, we continued to focus on our core priorities of education, outreach, and advocacy for credit investors. Our Advisory Board hosted monthly calls covering a variety of topics, including:

- Syndicate desk view of trends in the corporate new-issue market
- LBO trends and risks to bondholders
- Update on Argentina and Puerto Rico
- Disclosure issues involving bonds issued shortly before a merger/spinoff/splitoff (e.g. Seagate and Paypal)
- Make-whole provisions in bankruptcy
- WAMCO ERISA case highlights importance of access to new-issue offering documents

In addition to monthly calls, we held semi-annual meetings in conjunction with the Spring and Fall Fixed Income Forum (FIF) roundtables. CRT topics at the 2014 Spring meeting, held in Washington, DC, and Fall meeting, held in Chicago, included:

- Leveraged loan survey results and panel
- Session on evaluating emerging markets insolvency regimes
- Panel with SEC Corporation Finance Director on credit investor initiatives
- Private equity / leveraged buyout outlook panel
- Morgan Stanley strategist Steve Zamsky on the corporate credit markets and the new sell side
- Brainstorming session on future CRT priorities (more on this below)

The Credit Roundtable is now a well-known and respected industry organization that national policy makers seek out for our opinions and input on proposed rules and regulations. In early 2014, we filed a comment letter with the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve (Fed) regarding the survey results of CRT and FIF members on Title II of the Dodd-Frank Act regarding systemically important bank resolutions.

We were very pleased to reengage and work closely with the Securities and Exchange Commission (SEC) to update and improve rules relating to fixed income corporate actions for the first time in almost three decades. This was one of our three original initiatives. Several CRT members were invited to represent credit investors at an SEC-hosted summit in Washington, DC, along with the main Wall Street law firms and investment banks. We were able to find common ground with certain liability management professionals, and the SEC welcomed our participation and input. We are hopeful for SEC action in 2015 that will promote improved information distribution, increased transparency and market efficiency.

Also in 2014, we laid the groundwork for another approach to the SEC on reforming the underwriting and distribution process. Although we originally engaged the SEC on this topic in 2009, as with other initiatives,

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it was delayed by Dodd-Frank rulemaking and turnover at the SEC. A CRT working group is updating the material presented to the SEC and plans to revive discussions in 2015. This effort offers CRT members a great opportunity to have an active role in shaping the outcome of rules that will impact the credit markets.

We also stepped up our outreach efforts in 2014. In November, Chris Gootkind made a presentation to the Canadian Bond Investors Association's annual meeting in Toronto about the Credit Roundtable—our history and organizational structure, key initiatives, successes and challenges. It was well received and could set the stage for future collaboration.

At the 2014 Fall Roundtable, CRT members had the opportunity to brainstorm and discuss priorities for 2015 and beyond. Members identified the following:

- Update and highlight model covenants – White Paper 2.0
- Regulatory engagement - Increase our interaction with regulators on bond market structure issues as well as our current focus on underwriting and distribution and corporate actions
- Marketing/Outreach – seek opportunities to work with other entities such as the CFA Institute, corporate treasurers/CFOs and international bondholder associations
- Expand CRT Membership – include and develop high yield and emerging markets members and topics
- Conduct regular benchmarking surveys of interest to members

Active and involved members are critical to strengthening the group in the coming year. As a volunteer organization, we are doing this on behalf of our firms and our clients and look to members to participate in priority initiatives and suggest ideas and agenda items for monthly calls and roundtable meetings.

The membership fee this year will remain at \$4,000, which pays for legal fees associated with Credit Roundtable projects, as well as meeting and administrative costs. An antitrust lawyer, currently working pro bono, participates in all calls and meetings. Over the years, a group of in-house lawyers at member firms has provided valuable input on comment letters and other initiatives and helped keep outside legal costs down. Please find attached to this email a copy of the membership agreement for 2015. If you have questions about renewing, please contact Lyn Perlmuth (212-224-3074 or lperlmuth@iimemberships.com) or Kara Hennessey (212-224-3670 or kara.hennessey@iimemberships.com).

The Advisory Board of the Credit Roundtable welcomes your support and involvement. Thank you, and best wishes for a prosperous 2015.

Co-leaders  
*Chris Gootkind*  
**Loomis, Sayles & Co.**

*David Knutson*  
**Legal and General Investment Management America**

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