

Global Fixed Income Institute & Fixed Income Forum

Sovereign Debt Survey

Credit Roundtable, Washington DC, 25 March, 2010

Stephen Glover, Director – GFII

Preliminary results

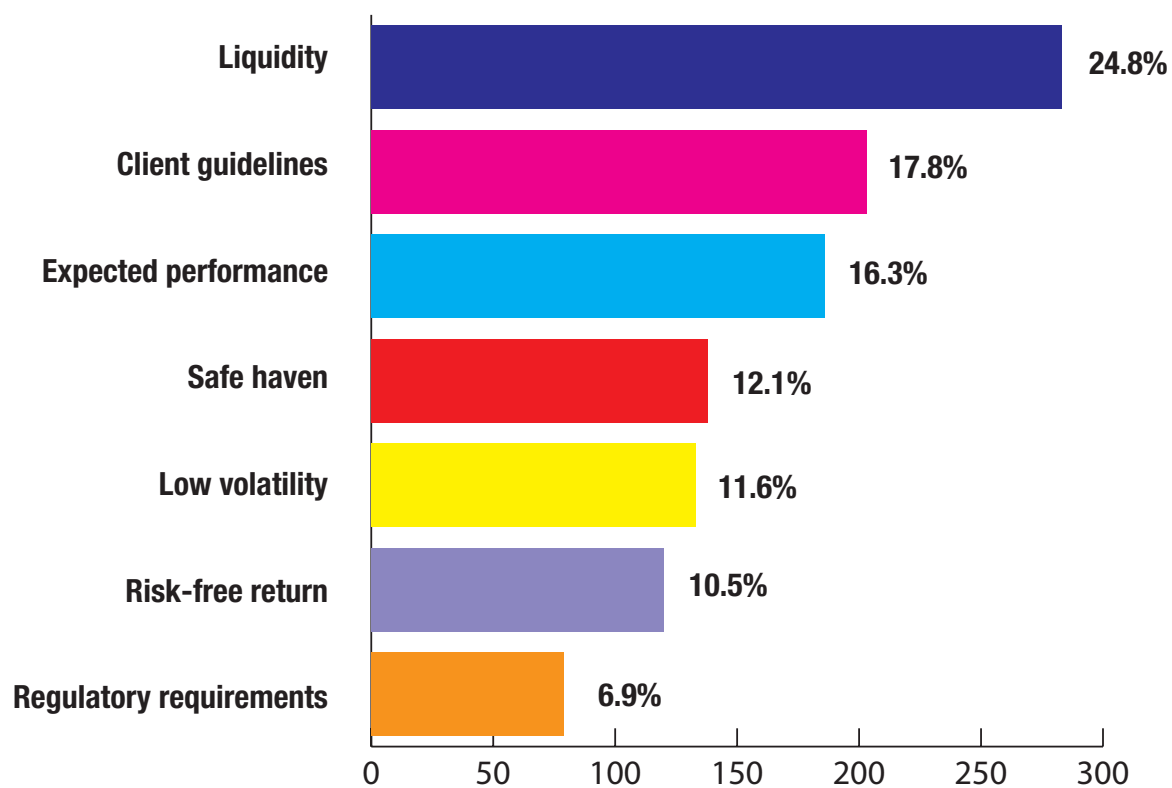
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Executive summary

- **This cut of the survey is based upon responses received between February 22, 2010 and March 5, 2010**
- **49 completed responses received**
- **Roughly equally split between Continental Europe, the UK and the US**

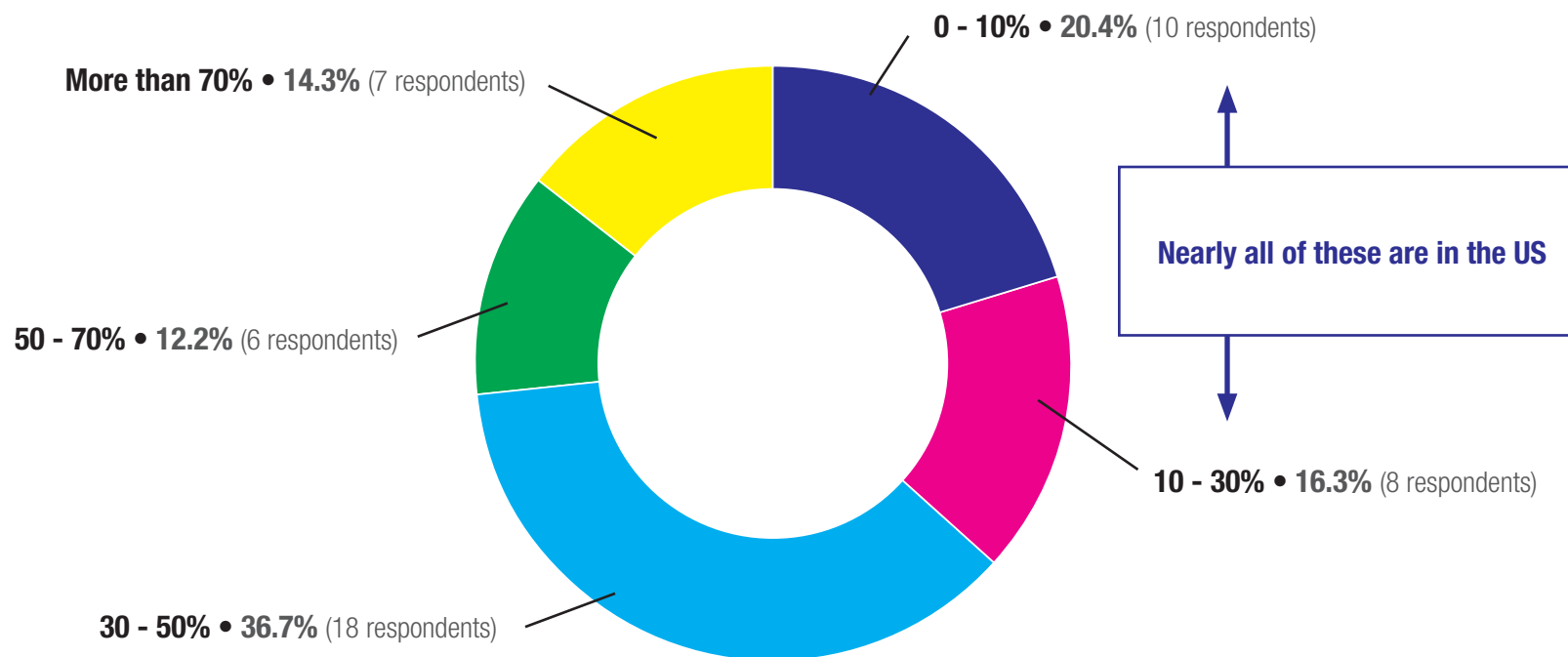
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2) What are your reasons for holding government bonds (please rank in order of importance)?



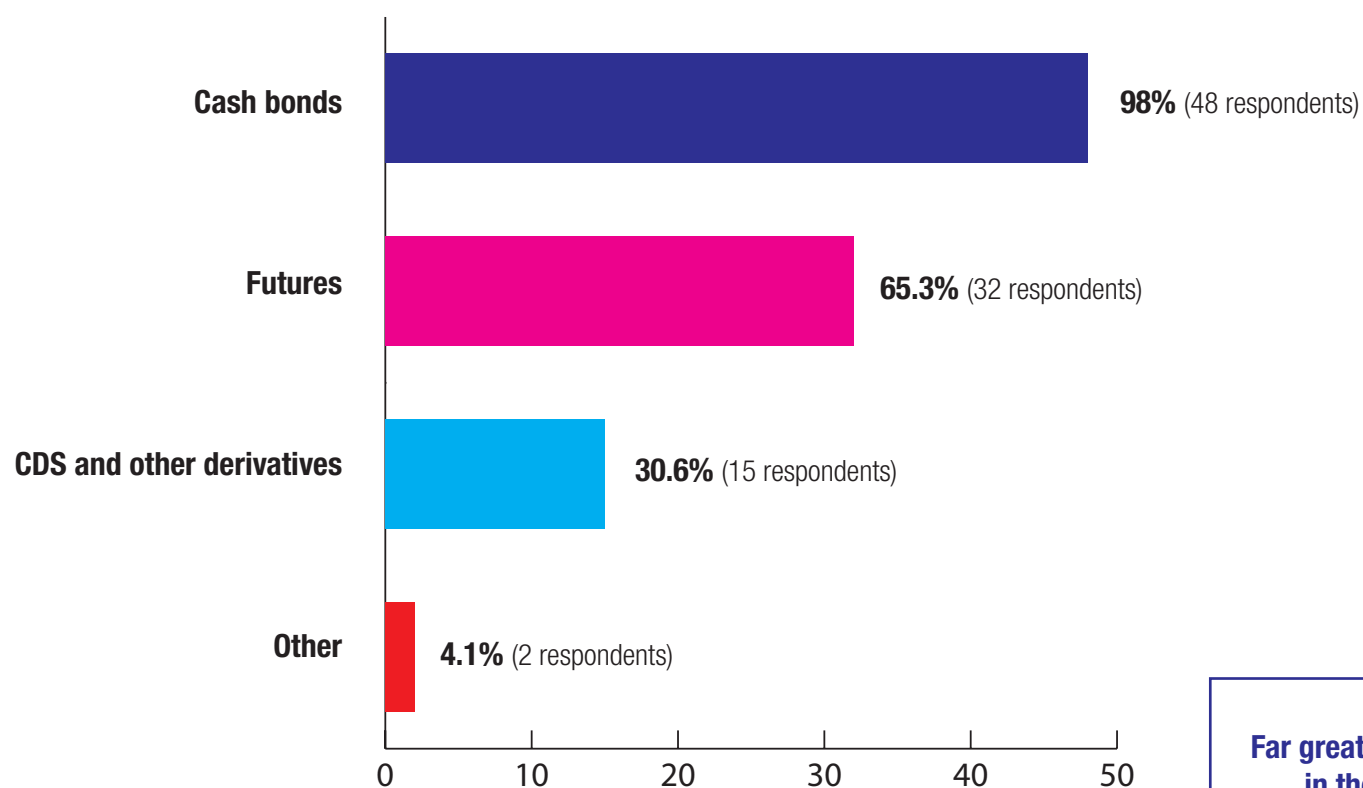
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3) Of your total bond portfolio, what proportion is invested in sovereign debt?



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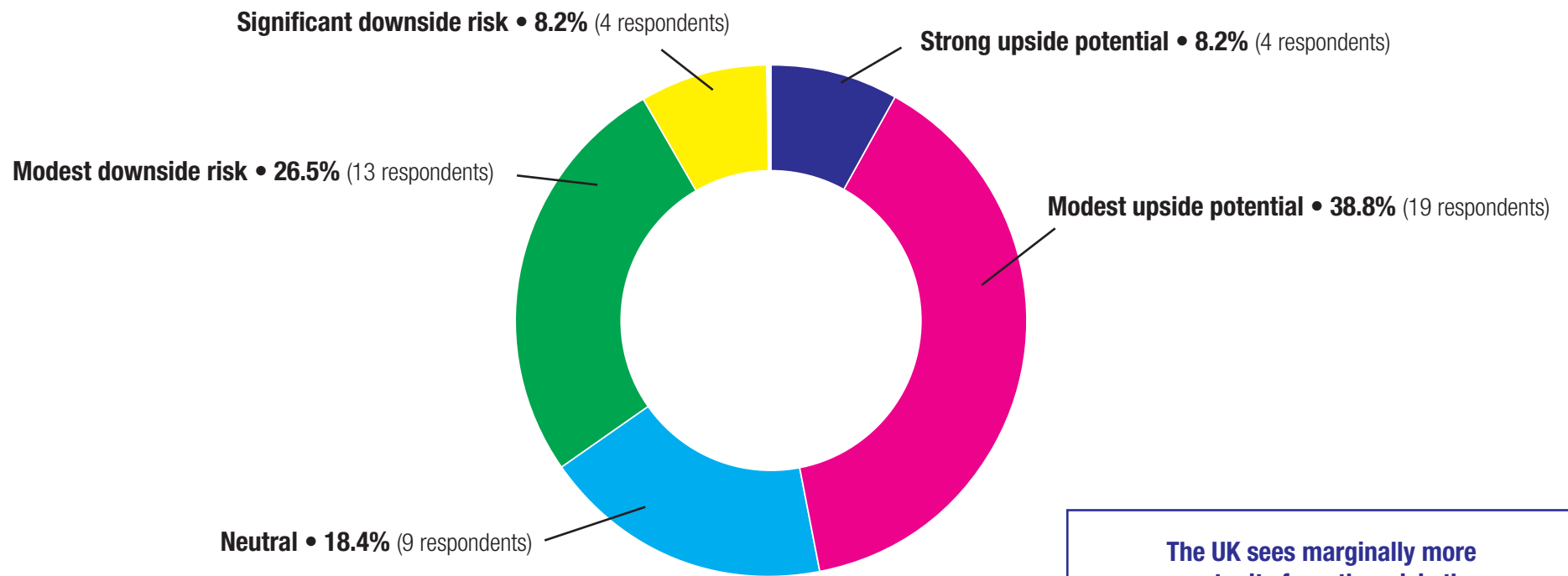
4) What does your sovereign debt exposure consist of? (check all that apply)



Far greater use of futures and derivatives in the UK and Continental Europe

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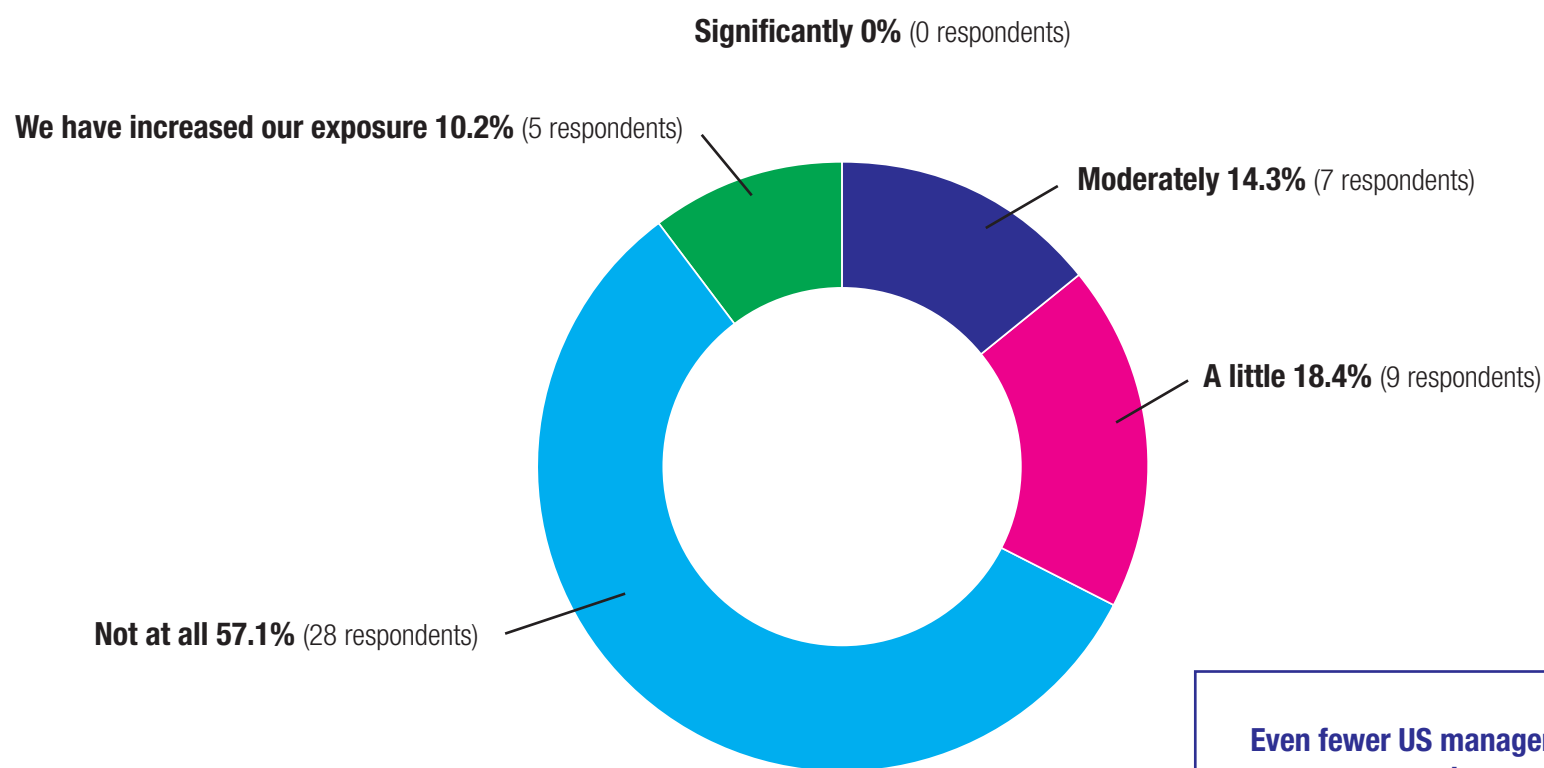
5) Overall, what outlook for your fixed income investment performance has been created by the sovereign debt crisis?



The UK sees marginally more opportunity from the crisis than the US or Continental Europe

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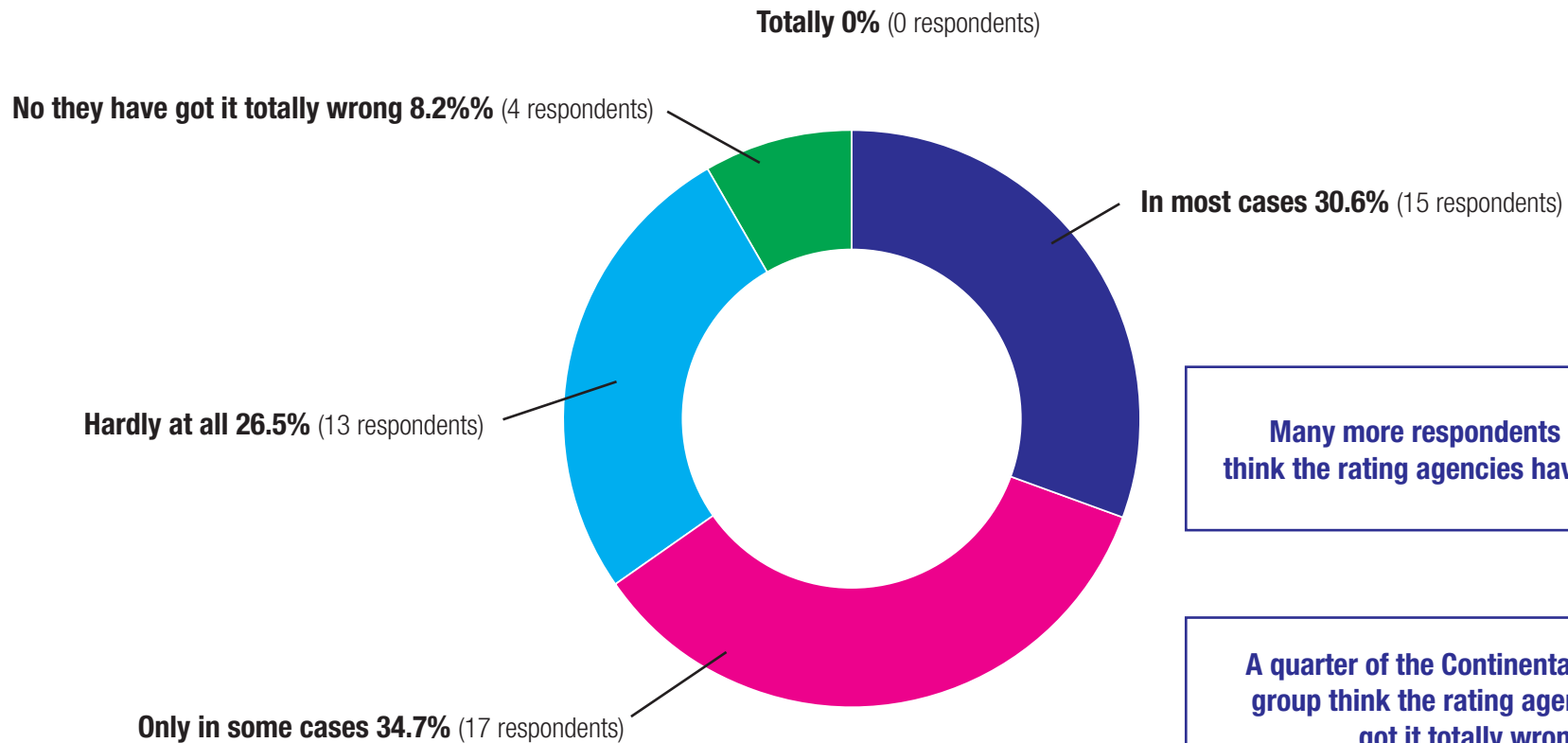
6) Over the last 6 months, to what extent have concerns over sovereign defaults led you to reduce exposure to government bonds in general?



Even fewer US managers have reduced exposure to sovereign debt

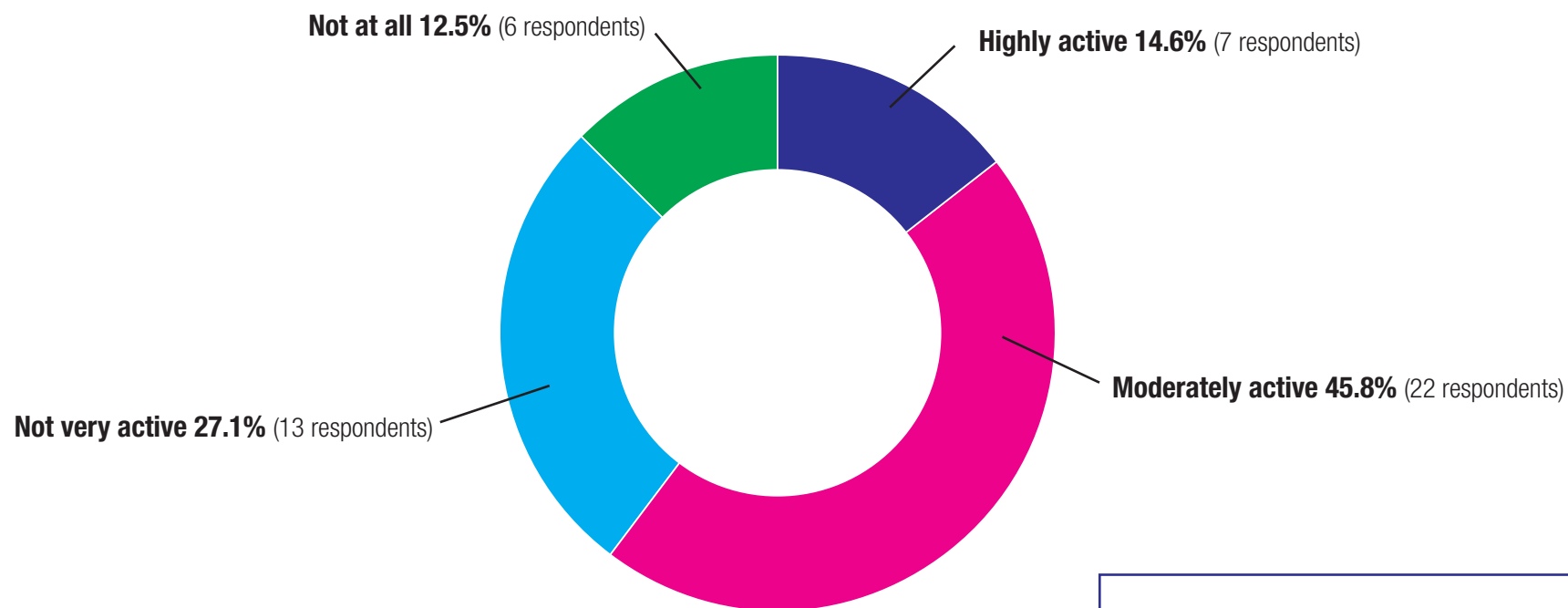
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9) Do you feel the rating agencies have been calling the government bond sector right in terms of downgrades, re-ratings and credit warnings?



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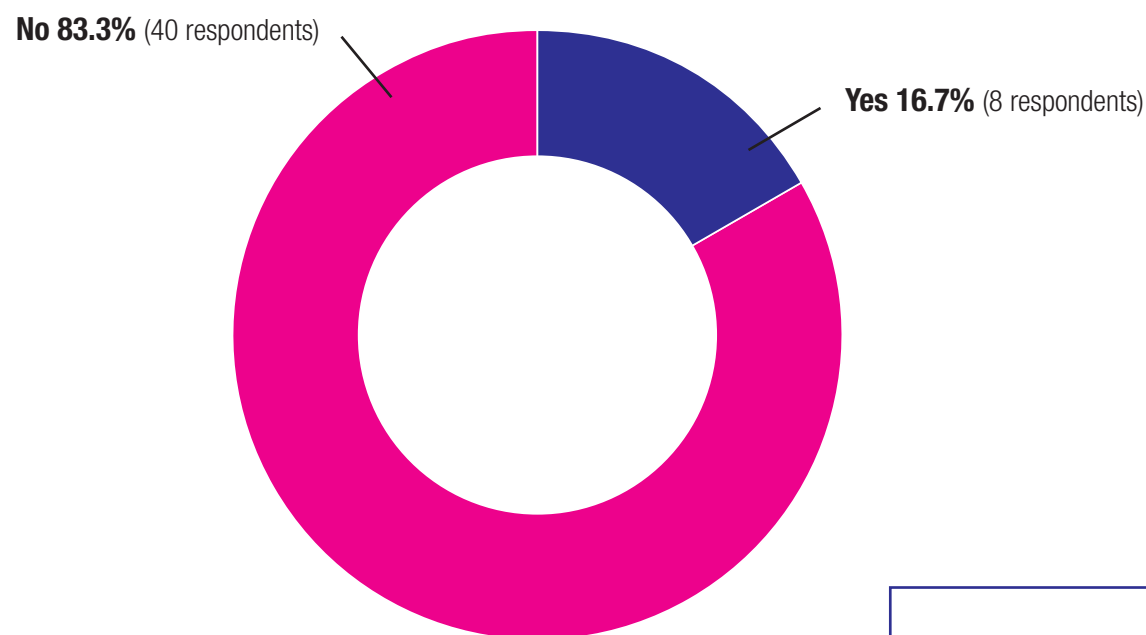
11) How active are you in the primary sovereign debt markets?



There is more involvement in the primary markets among asset managers in the UK and Continental Europe

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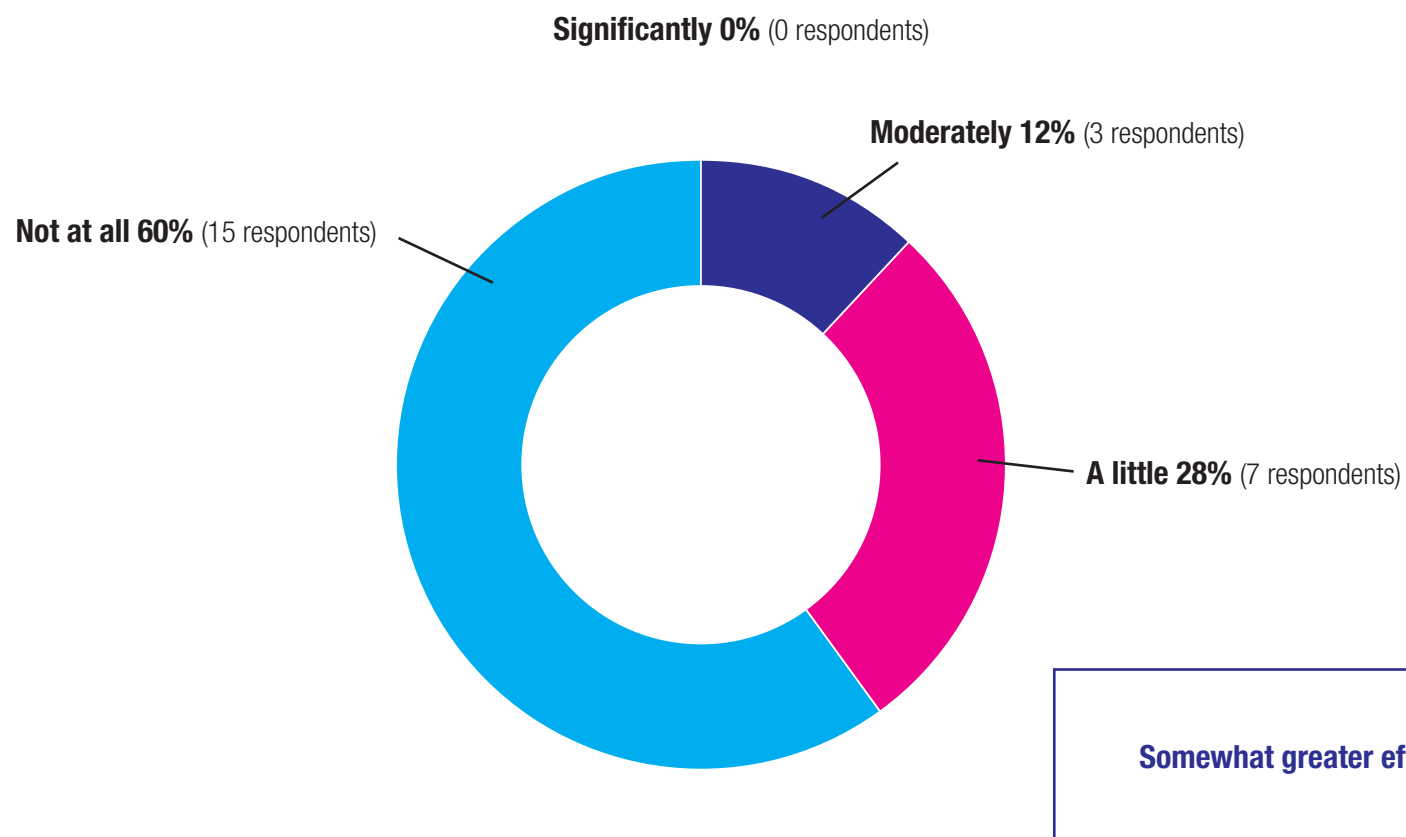
14) Do you consider the interest rate swap rate a better proxy for the risk-free rate than government bond yields?



The proportion responding 'Yes' is much higher in the US, at 35%

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15) If yes, to what extent has your portfolio construction process been impacted as a result?



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Institutional Investor would like to thank the following organisations for participating in this survey:

Aberdeen Asset Management
Abu Dhabi Investment Authority
AEGON Asset Management
Aetna Inc
Allstate Investments LLC
American Century Investments
APG Asset Management
Augustus Asset Managers
Aviva Investors
Baillie Gifford
Bank of Ireland Asset Management
Baring Asset Management
Blackrock Investment Management
Capital International
DuPont Capital Management
Deutsche Insurance Asset Management

DWS Investments
Eurizon Capital
Fischer Francis Trees & Watts
GE Asset Management
Gothaer Asset Management
Guardian Life Insurance Company of America
Henderson Global Investors
Howard Hughes Medical Institute
Ilmarinen Mutual Pension Insurance Company
Irish Life Investment Managers
JPMorgan Asset Management
Kempen Capital Management
Lombard Odier Investment Managers
MEAG
Metzler Asset Management
Mn Services

Morgan Stanley Investment Management
Nationwide Investments
Nordea Investment Management
PGGM Investments
Pictet Asset Management
Prudential Fixed Income
Robeco Group
Stanlib Asset Management
State Street Global Advisors
Swiss National Bank
T. Rowe Price
TD Asset Management
Vanguard Group
Wells Capital Management
Westwood Holdings Group

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Save the dates:

Global Fixed Income Institute

Annual Strategy Roundtable

10-11 June, 2010

Grand Hotel Huis ter Duin

Noordwijk, The Netherlands

Fixed Income Forum

Senior Delegates Roundtable

14-16 July, 2010

Four Seasons Hotel

Santa Barbara, California

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