Credit Market Research

Senior U.S. Fixed Income Investors Cautiously Optimistic in 2010

Weak Labor Market to Persist but Growth Back on the Agenda

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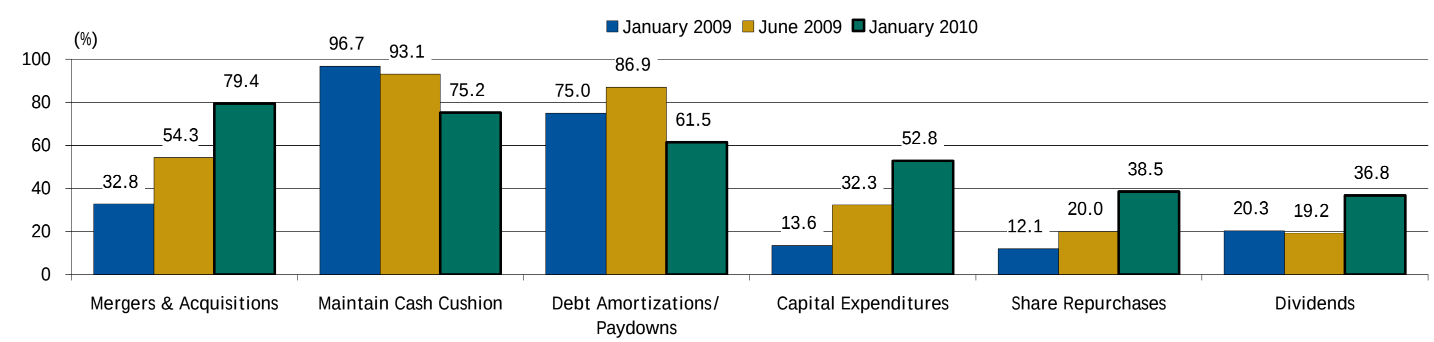
Summary

The results of the most recent Fitch Ratings/Fixed Income Forum Survey of Senior Investors, conducted this past January, reveal a much improved outlook for the U.S. economy and the credit markets, far removed from the deep risk aversion and gloom of a year ago, and more positive than opinions expressed in the June 2009 survey when glimmers of confidence began to emerge in the survey responses. Despite skepticism for any meaningful improvement in the labor markets this year and a belief that lending conditions will not loosen significantly, the majority of investors still place U.S. GDP growth in a range of 2% to 3% in 2010. On the corporate side especially, opinions have turned not just less negative but modestly bullish, with the majority of investors expecting credit improvement over the coming year and a renewed focus on growth-oriented activities. Investors also expressed optimism for emerging market growth; however, opinions surrounding U.S. commercial and residential real estate and municipals remained bleak. Interestingly, by a margin of 3 to 1 U.S. investors continue to believe that inflation is a greater risk going forward than deflation, but a majority also responded that a weak U.S. dollar is a positive in supporting the U.S. recovery, and that easy monetary policy remains important in 2010.

January 2010 Survey Highlights

- One of several opinion trends that held steady in the most recent survey was a far more sanguine view of growth prospects across emerging markets than either across the U.S. or Europe. Roughly two-thirds of investors surveyed placed emerging market economic growth at above 3% over the next 12 months, with few expressing such a view for either the U.S. or Europe. Half of the respondents, however, placed U.S. economic growth in a healthy range of 2% to 3% over the coming year. For perspective, in the June 2009 survey, the majority of investors believed that the U.S. recession would continue for at least one more year and would be deep.

Significant or Moderate Use of Corporate Cash Over Next 12 Months



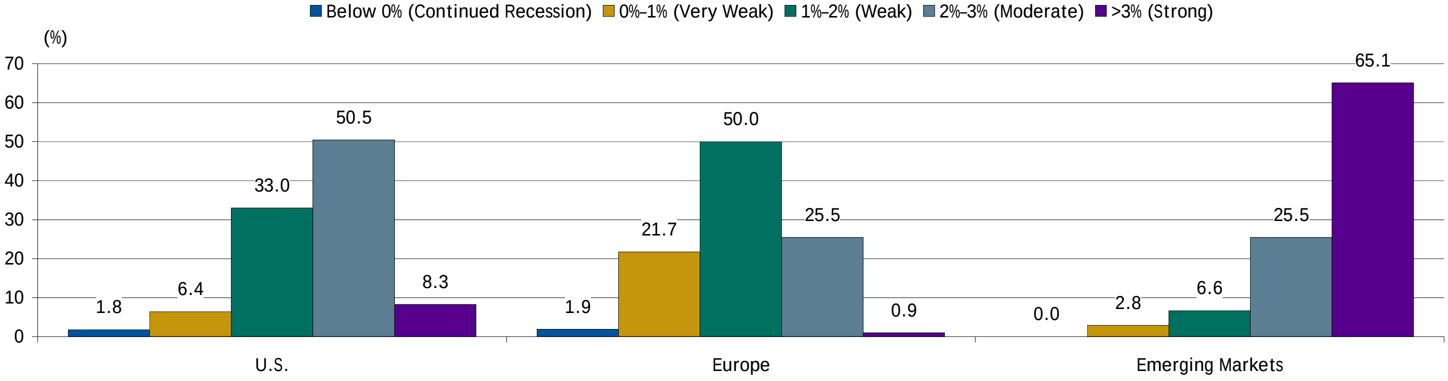
Source: Fitch Ratings/Fixed Income Forum Survey.

Overview

The Fitch Ratings/Fixed Income Forum Survey is designed to provide insight into the opinions of professional money managers on the state of the U.S. credit markets. In carrying out this survey, the eighth in the series, a wide range of senior investment personnel (109 in total) were queried with respect to matters involving the economy, fundamental credit conditions across various asset classes and sectors, corporate strategy, and other relevant topics. While select responses are discussed below, full survey results can be found in the Appendix beginning on page 11.

- Investors continued to hold the most negative views for Europe, with 50% believing that growth over the coming year will fall in a range of 1% to 2%, although here too views improved relative to the June and January 2009 surveys when thoughts of recession permeated all the responses.
- Not surprisingly, improved labor market conditions received the most votes as a factor critical to supporting the credit markets, even topping U.S. home price stabilization. On this important topic, investors were asked to forecast the U.S. unemployment rate at the end of 2010 and 2011. Sixty-five percent placed the unemployment rate at the end of 2010 between 9% and 10%. Given the current rate of 9.7%, this suggests that investors expect weak employment gains this year. However, 71% of the respondents believe the rate will fall below 9% by the end of 2011 and nearly one-quarter said the rate will fall below 8% by 2011. It is interesting to observe that in the recent survey a new fiscal stimulus package received the most votes (nearly 80%) as being either not important or harmful to supporting the credit markets. Investor responses suggest skepticism that such a package would help the labor situation. In contrast to the responses on fiscal stimulus, roughly 80% of investors believe that easy monetary policy is either critical or important over the coming year.
- Another opinion trend that held steady in the recent survey centered on the inflation/deflation debate. Nearly identical to the June 2009 survey, 73% of investors believe inflation is a bigger risk going forward than deflation; however, as noted above, this is a risk which investors appear to prefer to the alternative since most also favored continued easy monetary policy, and by a margin of 2 to 1 also believe that a weak dollar is a net positive to the recovery.

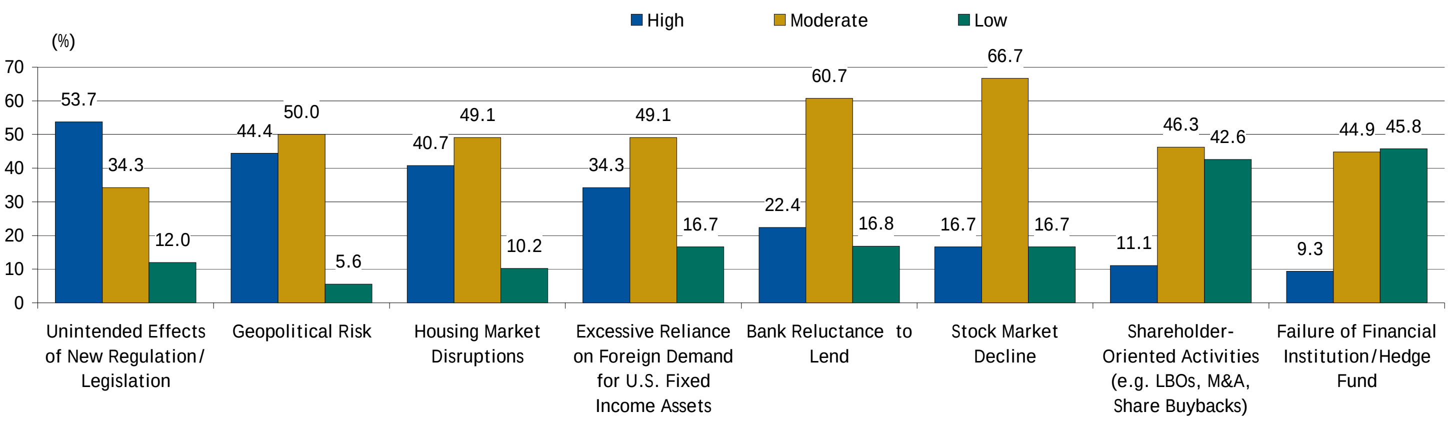
Economic Growth in 2010



Source: Fitch Ratings/Fixed Income Forum Survey.

- When asked to comment on lending conditions over the next year, most investors believe standards will remain somewhat range-bound — either moderately tighter or moderately looser. A very small share believes that standards will loosen in any meaningful way in 2010.
- In addition to expressing a view on macroeconomic trends, investors were asked to comment on fundamental credit conditions in specific investment areas. Directionally similar to the June 2009 survey, the most positive views centered on continued improvement in corporate credit quality, while concerns surrounding commercial real estate and municipal credit quality held steady. The latter, in fact, even showed further negativity compared with the June 2009 survey while opinions surrounding commercial real estate and even residential real estate showed some marginal improvement. For example, in the recent survey 23% of investors saw further significant credit deterioration in the CMBS sector, down from 44% in the June 2009 survey.
- When asked to comment on the outlook for specific industry sectors over the coming year, a majority of investors saw improvement in financials, energy, manufacturing, basic materials, and consumer cyclicals — areas that would clearly benefit the most from an economic upturn. The industry areas that received the most votes for some deterioration over the coming year included utilities, healthcare, and media.
- Along with expectations for further improvement in corporate credit quality, investors also expect a lower default rate in 2010. Of course, context here is critical. Investors were asked to comment on the direction of the high yield default rate relative to 2009's surge of 13.7%. The vast majority of investors placed the default rate over the next 12 months at moderately or significantly lower.
- Among the more constructive responses in the survey were comments on anticipated corporate strategy over the coming year. As shown in the chart on page 1, 79% of investors believe mergers and acquisitions will be a significant or moderate use of cash in 2010, up from 54% in the June 2009 survey, and more importantly, 53% expressed such an opinion for capital expenditures, up from 32% in the June 2009 survey and a dismal 14% in the January 2009 survey, when maintaining cash reserves dominated the responses. In fact, over the past year, growth- and shareholder-oriented activities have steadily received more votes while

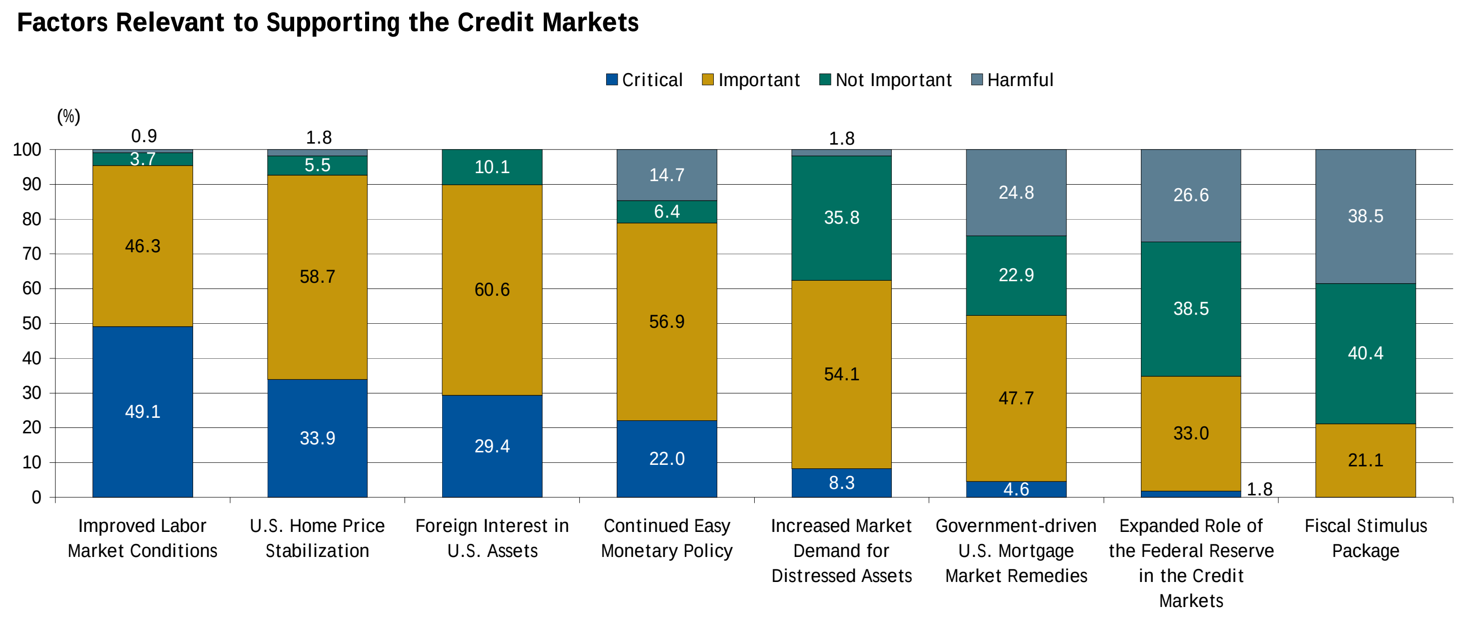
Risk Posed by Current and Potential Market Events



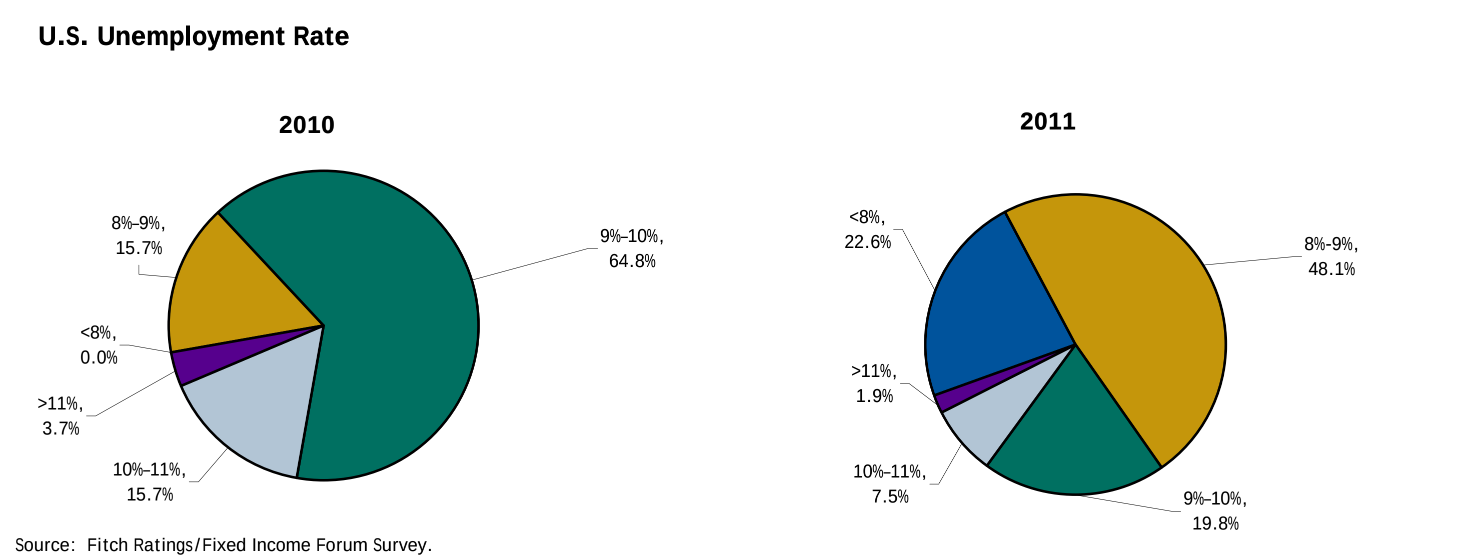
Source: Fitch Ratings/Fixed Income Forum Survey.

defensive measures have trended down. It is worth noting that despite the responses on corporate strategy, more than 70% of investors believe corporate leverage will either remain the same or will fall moderately in the coming year. This suggests that while growth-oriented activities are back on the agenda, investors believe that they will not be egregious, or perhaps that is the hope, since investors nonetheless now see relatively more risk than in the June 2009 survey from shareholder-oriented activities.

- When asked to comment on the risks posed by a series of market events, responses were very much in line with the June 2009 survey. In particular, unintended effects of new regulation/legislation and geopolitical concerns continued to receive the most votes as high-risk events.
- The last group of questions in the survey focused on issuance, anticipated spread movement, and derivative usage. Investment grade and speculative grade corporate received the most votes for both issuance growth and spread tightening over the coming year, very much in line with responses discussed above on the direction of credit quality, default rates, and corporate strategy. Expectations regarding a rebound in issuance in either CDOs or CMBS continued to lag other asset categories, although even in these two areas, the majority of investors believe that spreads will either remain within recent ranges or will tighten in 2010.
- The survey continued to reveal more conservatism in the use of credit derivatives. One year ago, 34% of investors responded that they used derivatives either extensively or moderately. In the recent survey that share dropped to 17%, the lowest tally in at least two years, while the share not using derivatives rose to a two-year high of 49%.

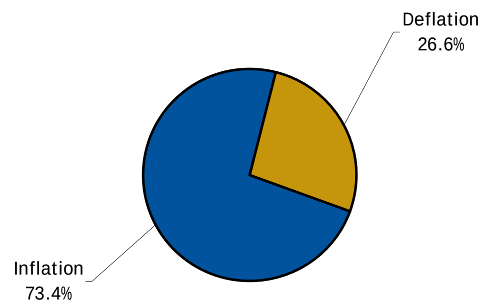


Source: Fitch Ratings/Fixed Income Forum Survey.



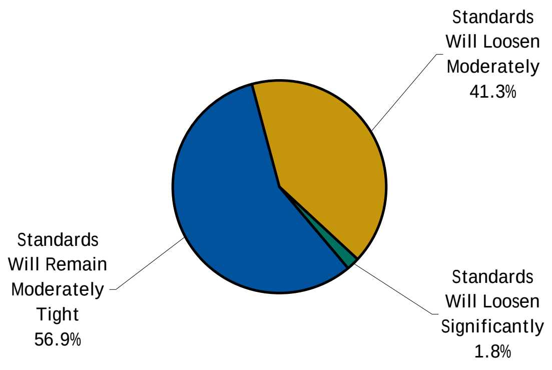
Source: Fitch Ratings/Fixed Income Forum Survey.

Greater Risk of Inflation/Deflation?



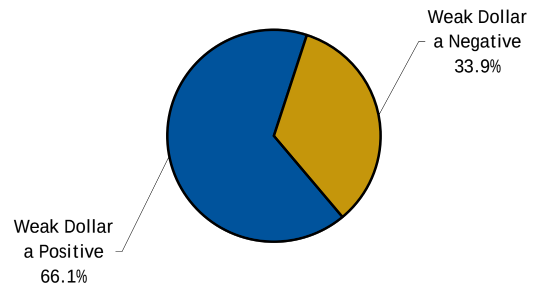
Source: Fitch Ratings/Fixed Income Forum Survey.

Lending Conditions in 2010



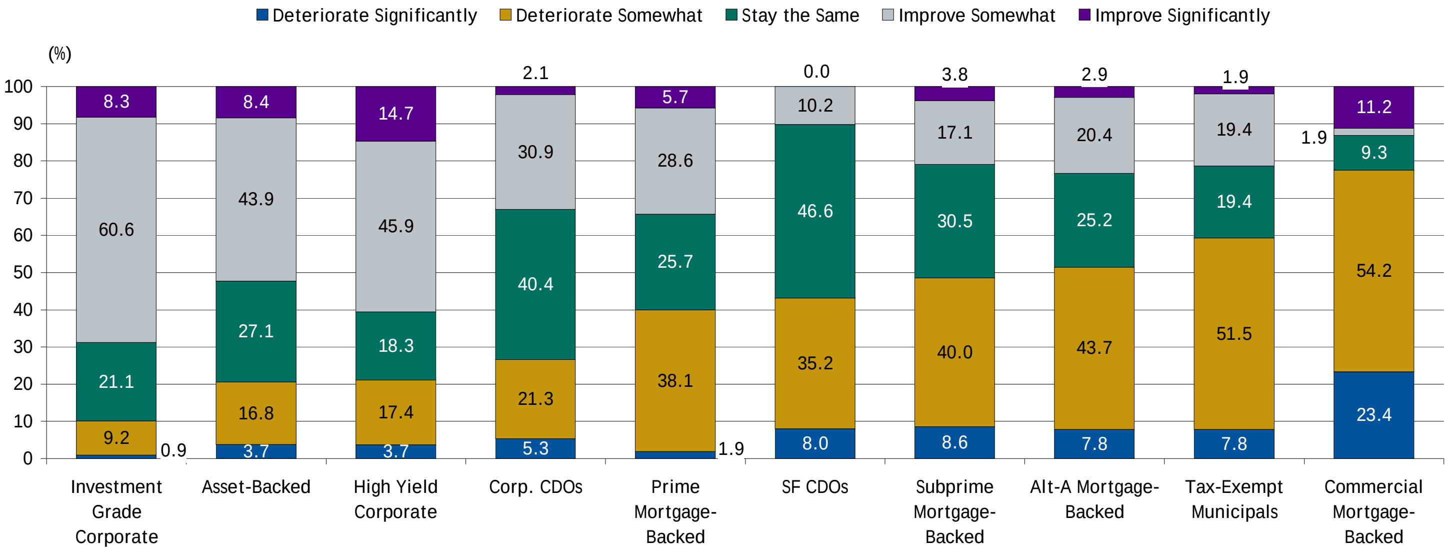
Source: Fitch Ratings/Fixed Income Forum Survey.

Weak Dollar Aid/Impediment to the U.S. Economic Recovery in 2010



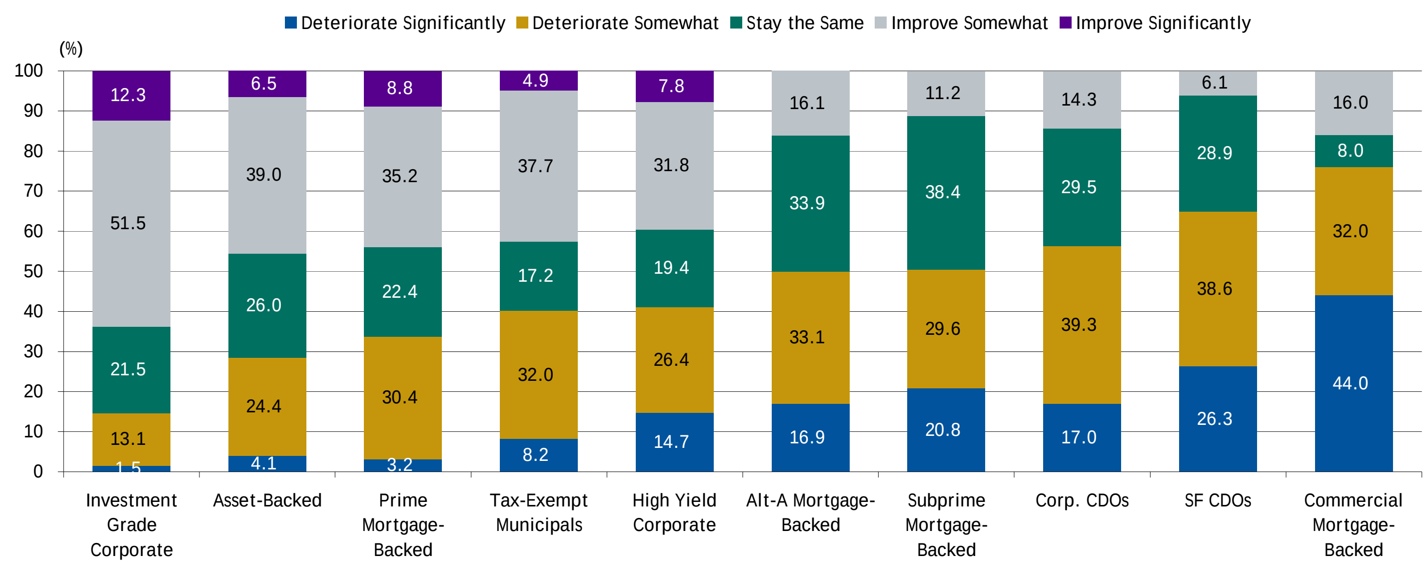
Source: Fitch Ratings/Fixed Income Forum Survey.

View of Fundamental Credit Conditions by Asset Class — January 2010



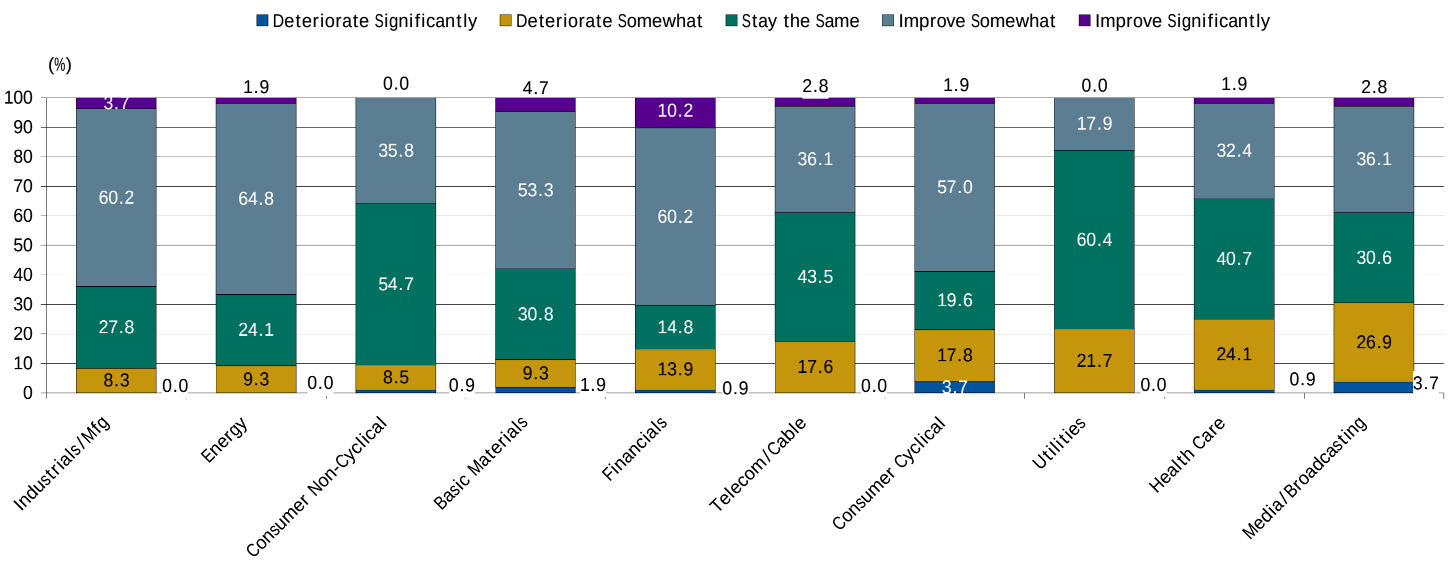
Source: Fitch Ratings/Fixed Income Forum Survey.

View of Fundamental Credit Conditions by Asset Class — June 2009



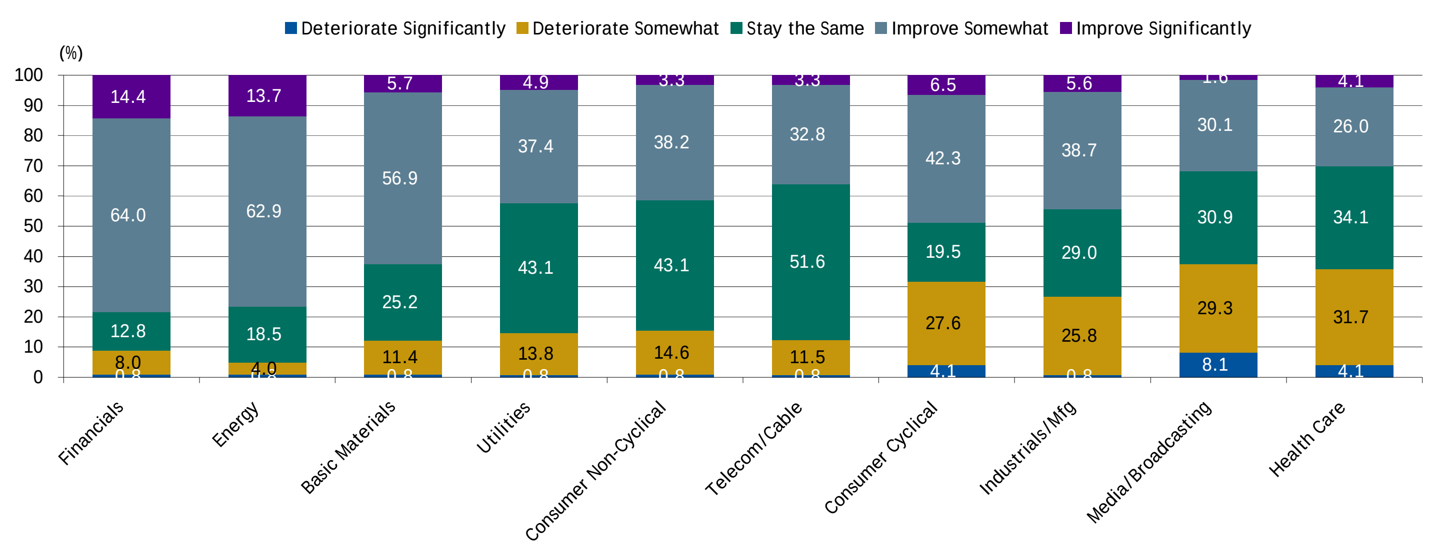
Source: Fitch Ratings/Fixed Income Forum Survey.

Outlook for U.S. Corporate Sectors — January 2010



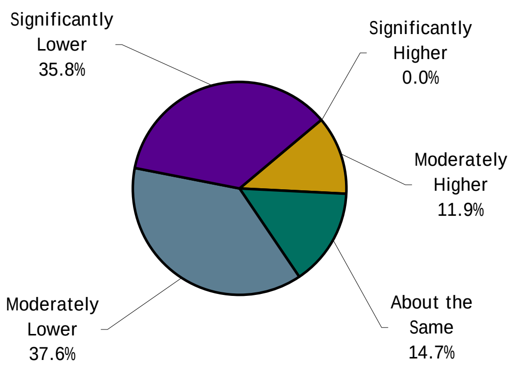
Source: Fitch Ratings/Fixed Income Forum Survey.

Outlook for U.S. Corporate Sectors — June 2009



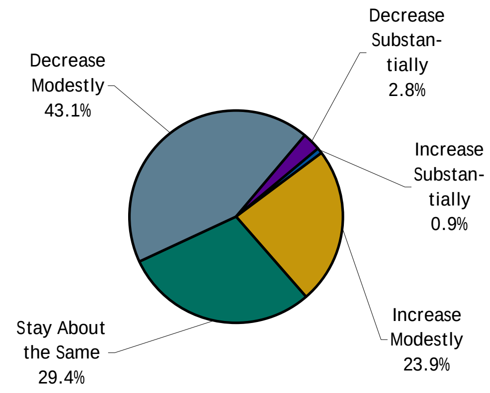
Source: Fitch Ratings/Fixed Income Forum Survey.

Direction of U.S. High Yield Default Rate



Source: Fitch Ratings/Fixed Income Forum Survey.

Direction of Corporate Leverage (Debt/EBITDA)



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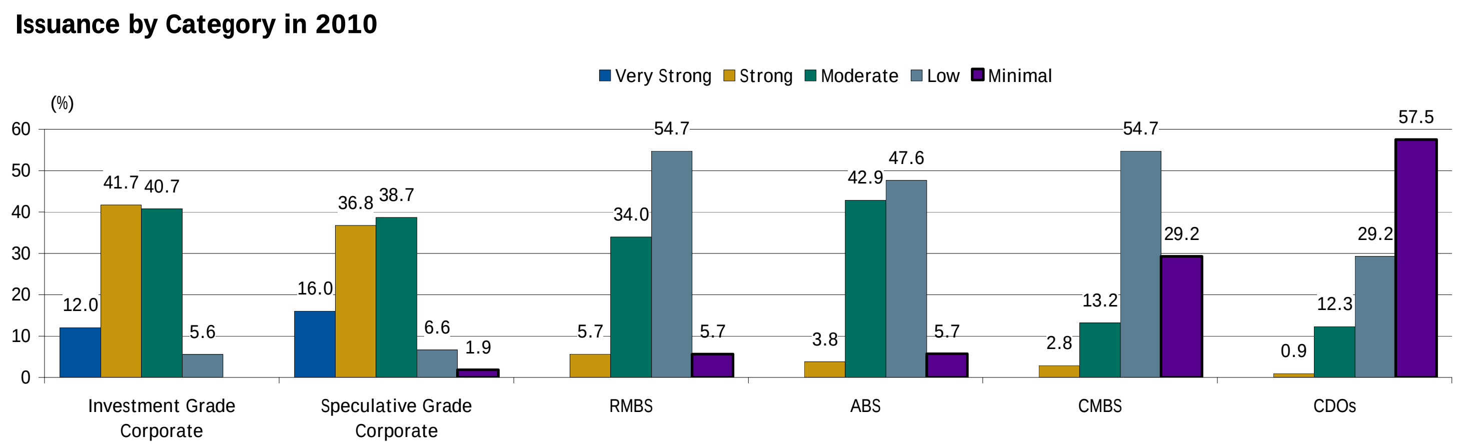

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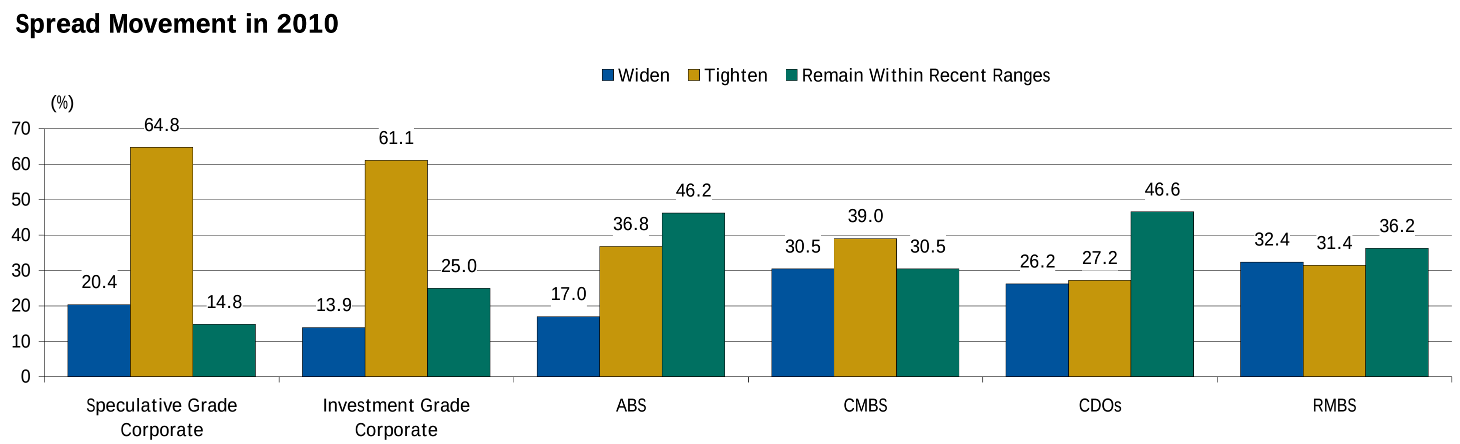

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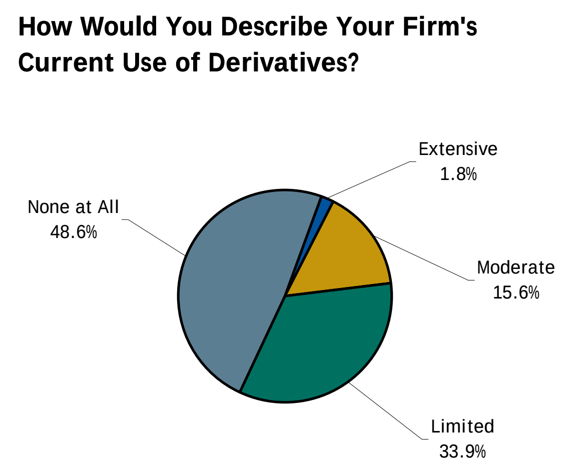

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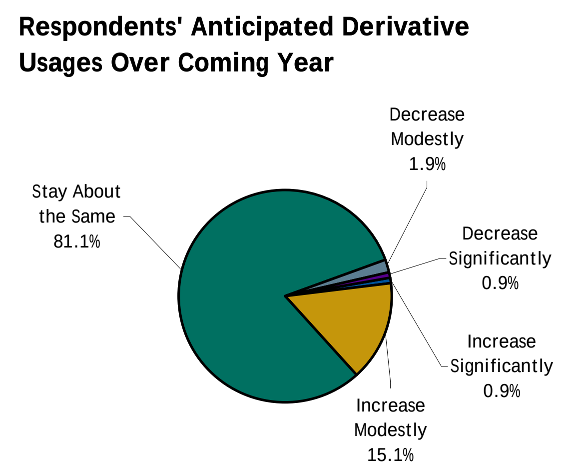

Source: Fitch Ratings/Fixed Income Forum Survey.

Appendix

Fitch Ratings/Fixed Income Forum Survey of Senior Investors

(%)

Which of the following best describes your firm?

	6/08	1/09	6/09	1/10
Traditional Asset Management Firm	56.9	54.1	45.0	50.5
Insurance Company	29.2	32.8	32.1	28.0
Asset Management Arm of a Bank	2.8	3.3	11.5	16.8
Pension Fund	5.6	8.2	7.6	4.7
Other	5.6	1.6	3.8	0.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

Which of the following best describes the amount of fixed income assets under management at your firm?

	6/08	1/09	6/09	1/10
Up to $20 Billion	27.8	23.0	44.3	52.8
$20–$50 Billion	8.3	13.1	16.0	13.0
$50–$100 Billion	20.8	26.2	16.8	9.3
Over $100 Billion	43.1	37.7	22.9	25.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

Over the next 12 months, how do you expect U.S. firms to use cash?

	Mergers and Acquisitions				Maintain Cash Cushion				Debt Amortizations/Paydowns			
	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10
Significant	5.7	0.0	3.1	17.8	36.6	65.6	50.8	30.3	5.6	26.7	30.8	13.8
Moderate	50.0	32.8	51.2	61.7	49.3	31.1	42.3	45.0	43.7	48.3	56.2	47.7
Limited	41.4	56.9	39.5	20.6	12.7	3.3	6.9	22.9	43.7	20.0	10.8	35.8
Not at All	2.9	10.3	6.2	0.0	1.4	0.0	0.0	1.8	7.0	5.0	2.3	2.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

	Capital Expenditures				Share Repurchases				Dividends			
	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10
Significant	1.4	0.0	1.5	3.8	7.0	0.0	4.6	8.3	4.3	0.0	0.0	6.6
Moderate	45.1	13.6	30.8	49.1	36.6	12.1	15.4	30.3	42.9	20.3	19.2	30.2
Limited	50.7	78.0	63.8	47.2	47.9	50.0	55.4	56.0	51.4	66.1	69.2	62.3
Not at All	2.8	8.5	3.8	0.0	8.5	37.9	24.6	5.5	1.4	13.6	11.5	0.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

What is the outlook for economic growth across the following regions over the next 12 months?

	U.S.	Europe	Emerging Markets
Below 0 (Continued Recession)	1.8	1.9	0.0
0–1 (Very Weak)	6.4	21.7	2.8
1–2 (Weak)	33.0	50.0	6.6
2–3 (Moderate)	50.5	25.5	25.5
>3 (Strong)	8.3	0.9	65.1
Total	**100.0**	**100.0**	**100.0**

Please rate the degree of risk posed by the following factors to the U.S. credit markets over the next 12 months?

	Unintended Effects of New Regulation/ Legislation		Geopolitical Risk				Housing Market Disruptions				Excessive Reliance on Foreign Demand for U.S. Fixed Income Assets			
	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10
High	60.0	53.7	16.9	31.7	43.1	44.4	25.4	26.2	20.8	40.7	21.7	34.4	40.8	34.3
Moderate	34.6	34.3	67.6	53.3	50.8	50.0	62.0	60.7	65.4	49.1	50.7	47.5	45.4	49.1
Low	5.4	12.0	15.5	15.0	6.2	5.6	12.7	13.1	13.8	10.2	27.5	18.0	13.8	16.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

	Bank Reluctance to Lend				Stock Market Declines	Shareholder-Oriented Activities (eg, LBOs, M&A, Share Buybacks)				Failure of Financial Institution/Hedge Fund			
	6/08	1/09	6/09	1/10	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10
High	10.0	57.4	26.9	22.4	16.7	1.4	3.3	2.3	11.1	28.2	21.3	15.4	9.3
Moderate	55.7	37.7	52.3	60.7	66.7	38.0	19.7	26.2	46.3	42.3	42.6	36.9	44.9
Low	34.3	4.9	20.8	16.8	16.7	60.6	77.0	71.5	42.6	29.6	36.1	47.7	45.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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Fitch Ratings/Fixed Income Forum Survey of Senior Investors (Continued)

(%)

How important are the following in the context of supporting the credit markets and ensuring a sustained U.S. economic recovery?

	Improved Labor Market Conditions	U.S. Home Price Stabilization				Foreign Interest in U.S. Assets				Continued Easy Monetary Policy	Increased Market Demand for Distressed Assets				Government-Driven U.S. Mortgage Market Remedies (e.g. Rate Freezes, Etc.)				Expanded Role of the Federal Reserve in the Credit Markets				Fiscal Stimulus Package			
	1/10	**6/08**	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**
Critical	49.1	34.7	55.7	48.5	33.9	15.5	9.8	22.5	29.4	22.0	12.5	13.1	8.5	8.3	2.8	14.8	8.6	4.6	2.8	8.2	3.9	1.8	1.4	29.5	6.3	0.0
Important	46.3	59.7	41.0	47.7	58.7	66.2	73.8	62.0	60.6	56.9	55.6	70.5	67.4	54.1	25.0	55.7	50.0	47.7	22.5	59.0	42.6	33.0	31.4	47.5	38.3	21.1
Not Important	3.7	5.6	3.3	3.8	5.5	18.3	16.4	14.0	10.1	6.4	30.6	16.4	23.3	35.8	25.0	13.1	21.9	22.9	47.9	16.4	25.6	38.5	51.4	14.8	25.0	40.4
Harmful	0.9	0.0	0.0	0.0	1.8	0.0	0.0	1.6	0.0	14.7	1.4	0.0	0.8	1.8	47.2	16.4	19.5	24.8	26.8	16.4	27.9	26.6	15.7	8.2	30.5	38.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Where do you place the U.S. unemployment rate at the end of 2010 and 2011?

	2010	**2011**
<8	0.0	22.6
8–9	15.7	48.1
9–10	64.8	19.8
10–11	15.7	7.5
>11	3.7	1.9
Total	**100.0**	**100.0**

Which is a greater risk going forward?

	1/09	**6/09**	**1/10**
Inflation	45.9	71.1	73.4
Deflation	54.1	28.9	26.6
Total	**100.0**	**100.0**	**100.0**

What is likely to happen to lending conditions in 2010?

	1/10
Standards will Remain Moderately Tight	56.9
Standards will Loosen Moderately	41.3
Standards will Loosen Significantly	1.8
Total	**100.00**

Assuming the U.S. dollar remains weak, will this be an aid or impediment in the context of supporting the U.S. economic recovery over the next 12 months?

	1/10
Weak Dollar a Positive	66.1
Weak Dollar a Negative	33.9
Total	**100.0**

Over the next 12 months, fundamental credit conditions in the following U.S. asset classes will:

	Investment Grade Corporate				Asset-Backed				High Yield Corporate				Corp. CDOs				Prime Mortgage-Backed			
	6/08	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**	**6/08**	**1/09**	**6/09**	**1/10**
Deteriorate Significantly	2.8	6.7	1.5	0.9	8.3	20.3	4.1	3.7	38.9	56.7	14.7	3.7	20.6	33.9	17.0	5.3	5.6	3.4	3.2	1.9
Deteriorate Somewhat	50.0	53.3	13.1	9.2	44.4	30.5	24.4	16.8	48.6	16.7	26.4	17.4	51.5	41.1	39.3	21.3	40.8	37.3	30.4	38.1
Stay the Same	18.1	5.0	21.5	21.1	25.0	28.8	26.0	27.1	5.6	3.3	19.4	18.3	17.6	23.2	29.5	40.4	21.1	23.7	22.4	25.7
Improve Somewhat	29.2	25.0	51.5	60.6	22.2	16.9	39.0	43.9	6.9	15.0	31.8	45.9	10.3	1.8	14.3	30.9	29.6	30.5	35.2	28.6
Improve Significantly	0.0	10.0	12.3	8.3	0.0	3.4	6.5	8.4	0.0	8.3	7.8	14.7	0.0	0.0	0.0	2.1	2.8	5.1	8.8	5.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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Fitch Ratings/Fixed Income Forum Survey of Senior Investors (Continued)

(%)

Over the next 12 months, fundamental credit conditions in the following U.S. asset classes will:

	SF CDOs				Subprime Mortgage-Backed				Alt-A Mortgage Backed				Tax-Exempt Municipals				Commercial Mortgage-Backed			
	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10
Deteriorate Significantly	35.3	37.0	26.3	8.0	31.9	25.4	20.8	8.6	31.4	28.3	16.9	7.8	1.5	11.9	8.2	7.8	8.5	36.7	44.0	23.4
Deteriorate Somewhat	35.3	42.6	38.6	35.2	37.7	37.3	29.6	40.0	45.7	45.0	33.1	43.7	27.9	50.8	32.0	51.5	60.6	56.7	32.0	54.2
Stay the Same	25.0	20.4	28.9	46.6	18.8	25.4	38.4	30.5	12.9	10.0	33.9	25.2	35.3	20.3	17.2	19.4	16.9	0.0	8.0	9.3
Improve Somewhat	4.4	0.0	6.1	10.2	11.6	10.2	11.2	17.1	10.0	15.0	16.1	20.4	32.4	13.6	37.7	19.4	12.7	5.0	16.0	1.9
Improve Significantly	0.0	0.0	0.0	0.0	0.0	1.7	0.0	3.8	0.0	1.7	0.0	2.9	2.9	3.4	4.9	1.9	1.4	1.7	0.0	11.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Over the next 12 months, fundamental credit conditions in the following U.S. industries will:

	Industrials/Manufacturing				Energy				Consumer Non-Cyclical				Basic Materials				Financials			
	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10
Deteriorate Significantly	0.0	11.7	0.8	0.0	0.0	5.1	0.8	0.0	4.3	1.7	0.8	0.9	10.1	31.7	0.8	1.9	5.7	13.3	0.8	0.9
Deteriorate Somewhat	55.1	65.0	25.8	8.3	24.3	42.4	4.0	9.3	45.7	45.0	14.6	8.5	44.9	38.3	11.4	9.3	40.0	31.7	8.0	13.9
Stay the Same	24.6	11.7	29.0	27.8	52.9	32.2	18.5	24.1	38.6	33.3	43.1	54.7	20.3	18.3	25.2	30.8	10.0	15.0	12.8	14.8
Improve Somewhat	20.3	10.0	38.7	60.2	21.4	18.6	62.9	64.8	10.0	18.3	38.2	35.8	24.6	10.0	56.9	53.3	44.3	35.0	64.0	60.2
Improve Significantly	0.0	1.7	5.6	3.7	1.4	1.7	13.7	1.9	1.4	1.7	3.3	0.0	0.0	1.7	5.7	4.7	0.0	5.0	14.4	10.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

	Telecommunications/Cable				Consumer Cyclical				Utilities				Healthcare				Media/Broadcasting			
	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10	6/08	1/09	6/09	1/10
Deteriorate Significantly	0.0	1.7	0.8	0.0	30.0	46.7	4.1	3.7	0.0	1.7	0.8	0.0	0.0	3.3	4.1	0.9	1.4	28.8	8.1	3.7
Deteriorate Somewhat	29.0	48.3	11.5	17.6	60.0	35.0	27.6	17.8	15.9	20.0	13.8	21.7	26.1	31.7	31.7	24.1	42.0	54.2	29.3	26.9
Stay the Same	47.8	37.9	51.6	43.5	4.3	8.3	19.5	19.6	59.4	65.0	43.1	60.4	56.5	45.0	34.1	40.7	46.4	13.6	30.9	30.6
Improve Somewhat	23.2	10.3	32.8	36.1	5.7	8.3	42.3	57.0	23.2	11.7	37.4	17.9	17.4	18.3	26.0	32.4	10.1	1.7	30.1	36.1
Improve Significantly	0.0	1.7	3.3	2.8	0.0	1.7	6.5	1.9	1.4	1.7	4.9	0.0	0.0	1.7	4.1	1.9	0.0	1.7	1.6	2.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

How do you expect the U.S. default rate to end 2010 compared with the 2009 year-end default rate of 13.7%?

	6/08	1/09	6/09	1/10
Significantly Higher	40.8	52.5	8.6	0.0
Moderately Higher	57.7	42.6	46.9	11.9
About the Same	1.4	4.9	22.7	14.7
Moderately Lower	0.0	0.0	21.9	37.6
Significantly Lower	0.0	0.0	0.0	35.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

Over the next 12 months do you expect corporate leverage (debt/EBITDA) to:

	6/08	1/09	6/09	1/10
Increase Substantially	5.7	25.0	0.8	0.9
Increase Modestly	70.0	43.3	27.9	23.9
Stay About the Same	11.4	11.7	23.3	29.4
Decrease Modestly	11.4	18.3	45.0	43.1
Decrease Substantially	1.4	1.7	3.1	2.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

Continued on next page.

Fitch Ratings/Fixed Income Forum Survey of Senior Investors (Continued)

(%)

What is your expectation for issuance in 2010 for the following categories?

	Investment Grade Corporate	Speculative Grade Corporate	RMBS	ABS	CMBS	CDOs
	1/10	1/10	1/10	1/10	1/10	1/10
Very Strong	12.0	16.0	0.0	0.0	0.0	0.0
Strong	41.7	36.8	5.7	3.8	2.8	0.9
Moderate	40.7	38.7	34.0	42.9	13.2	12.3
Low	5.6	6.6	54.7	47.6	54.7	29.2
Minimal	0.0	1.9	5.7	5.7	29.2	57.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

What is your expectation for spread movement over the next 12 months in these areas?

	Speculative Grade Corporate			Investment Grade Corporate			ABS			CMBS			CDOs			RMBS		
	1/09	6/09	1/10	1/09	6/09	1/10	1/09	6/09	1/10	1/09	6/09	1/10	1/09	6/09	1/10	1/09	6/09	1/10
Widen	28.3	26.2	20.4	10.0	8.5	13.9	8.3	16.7	17.0	31.7	40.2	30.5	36.2	28.2	26.2	10.0	21.0	32.4
Tighten	33.3	46.9	64.8	71.7	65.4	61.1	55.0	39.7	36.8	38.3	31.5	39.0	10.3	18.5	27.2	51.7	36.3	31.4
Remain Within Recent Ranges	38.3	26.9	14.8	18.3	26.2	25.0	36.7	43.7	46.2	30.0	28.3	30.5	53.4	53.2	46.6	38.3	42.7	36.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

How would you describe your firm's current use of credit derivatives?

	6/08	1/09	6/09	1/10
Extensive	15.5	3.3	2.3	1.8
Moderate	35.2	31.1	13.2	15.6
Limited	49.3	65.6	42.6	33.9
None at All	0.0	0.0	41.9	48.6
Total	**100.0**	**100.0**	**100..0**	**100.0**

To what extent do you expect your firm to modify its use of credit derivatives over the next year?

	6/08	1/09	6/09	1/10
Increase Significantly	2.9	6.1	1.2	0.9
Increase Modestly	31.4	16.3	13.6	15.1
Stay About the Same	61.4	57.1	67.9	81.1
Decrease Modestly	2.9	14.3	12.3	1.9
Decrease Significantly	1.4	6.1	4.9	0.9
Total	**100.0**	**100.0**	**100.0**	**100.0**