

Leveraged Finance Default Review

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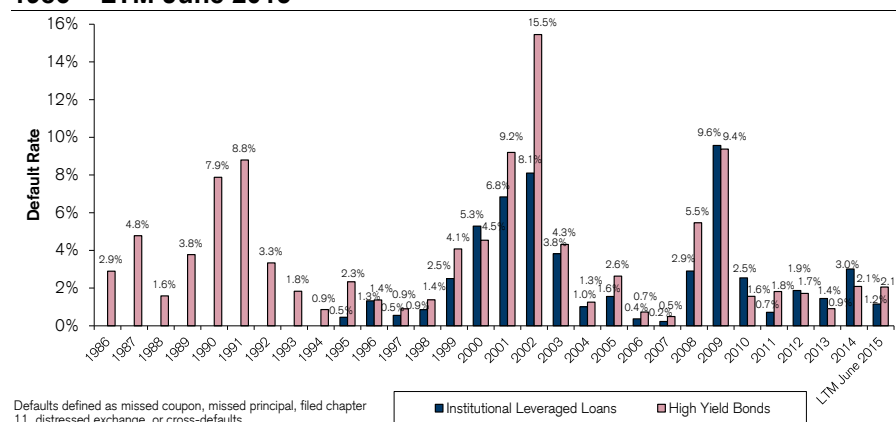
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2Q15 High Yield and Leveraged Loan Default Review

U.S. High Yield: The U.S. high yield default rate decreased 103 bp, to 2.06% for LTM June 2015 from 3.09% at the end of the prior quarter. The decrease was primarily due to Energy Future Holdings moving out of the trailing 12-month window. There were 68 bonds from 34 companies that defaulted over the past 12 months with a face value of \$30.2 billion.

U.S. Leveraged Loans: The U.S. institutional leveraged loan default rate decreased 221 bp, to 1.16% for LTM June 2015 from 3.37% at the end of the previous quarter. Similar to U.S. high yield, the decrease was primarily due to Energy Future Holdings moving out of the trailing 12-month window. There were 17 loans from 13 companies that defaulted over the past 12 months with a face value of \$10.4 billion.

Exhibit 1: US High Yield Bond vs. Leveraged Loan Default Rates: 1986 – LTM June 2015



Source: Credit Suisse

Western European High Yield: The Western European high yield default rate decreased 7 bps, to 0.86% for LTM June 2015 from 0.93% at the end of the previous quarter. There were 14 bonds from 7 companies that defaulted in the past 12 months with a face value of €3.8 billion.

Western European Leveraged Loans: The Western European institutional leveraged loan default rate increased 3 bp, to 1.31% for LTM June 2015 from 1.28% at the end of the first quarter. There were five loans from three companies that defaulted in the past 12 months with a face value of €1.9 billion.

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DISCLOSURE APPENDIX AT THE BACK OF THIS REPORT CONTAINS IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS.

High Yield Default Rate Methodology

We define default to be a violation of covenants that results in principal impairment. An issue enters default upon the expiration of the grace period following a missed coupon payment (usually 30 days), upon the issuer filing for bankruptcy, or on the date of a distressed exchange. The issue emerges from default upon payment of interest or principal due the bondholder, or restructuring and subsequent emergence from bankruptcy. Defaulted issues remain in the Credit Suisse High Yield and Leveraged Loan indexes until they are taken out of the market (however, note that there are sub-indexes that exclude defaults).

The **default rate** is calculated by summing the par amount of high yield debt that has gone into default over a 12-month period, and dividing this numerator by the average size of the high yield market over the same period of time. We define this market size as the average of the beginning and ending total high yield market sizes for the time period. Similar calculations can be done for any period of time.

The **principal loss rate** is calculated by taking the difference between the issue's default price (the price on the day of default) and issuance price and dividing this result by the issuance price, yielding the principal loss rate. This represents the percentage of capital that is lost at the time of default, assuming that the issue has been owned since issuance. By multiplying this percentage by the total amount of debt outstanding at the time of default, we are able to determine the **total principal loss** due to default.

The **recovery rate** is the difference between 100% and the principal loss rate. This represents the amount of an investor's original investment that survives the average default event.

The **default loss** takes into account that over the course of the default and emergence from default process, the equivalent of about one-half of an annual coupon payment is lost. Default loss is therefore defined as the sum of principal loss and the coupon loss, and the **default loss rate** is defined as the total high yield bond market default loss divided by the same average market size denominator that goes into the default rate equation.

Leveraged Loan Default Rate Methodology

Because of the private nature of the leveraged loan asset class, the universe studied in our analysis is limited to fully-funded institutional leveraged loan facilities. **Institutional facilities** are generally the actively traded tranches in the loan market, and loan terms and market pricing are more readily available. Therefore, only institutional facilities are considered in this study, both for the defaults and the market size.

A loan is considered to be in **default** if it has either missed a coupon or principal payment (including a cross-default provision with other debt), or if the issuer has filed for bankruptcy. The **default rate** is calculated by summing the face value of institutional leveraged loans that have gone into default over a 12-month period and dividing this by the average size of the institutional leveraged loan market over the same period of time. We define the institutional loan market size as the average of the beginning and ending total institutional leveraged loan market sizes for the time period, as both new issuance and retirement of loans can significantly affect market size.

The **recovery rate** is calculated from the facility's default price (the price on the day of default) and the issuance price. This represents the amount of an investor's original investment that survives the average default event.

The **default loss rate** is defined as the total institutional leveraged loan market default rate multiplied by the difference 100% and the **recovery rate**.

Although defaulted loans can pay post-petition interest, affecting returns, issuers can also be prohibited from making payment to their creditors during the restructuring process. After the restructuring process, loans that have emerged may have certain term changes, and thus can be considered new issues.

2Q15 U.S. High Yield Defaults

The U.S. high yield default rate decreased 103 bp, to 2.06% for LTM June 2015 from 3.09% at the end of prior quarter. There were 68 bonds from 34 companies that defaulted over the past 12 months with a face value of \$30.2 billion. Defaults over the past 12 months were concentrated in gaming/leisure, energy and media/telecom.

The decrease in the default rate over the prior quarter was due primarily to the \$16.6 billion default of Energy Future Holdings bonds in April 2014 moving out of the trailing 12-month window, which accounted for 113 bp decrease. The \$12.3 billion default of Caesars Entertainment from January 2015 is currently the largest component of the default rate, comprising 84 bp of the 2.06% rate.

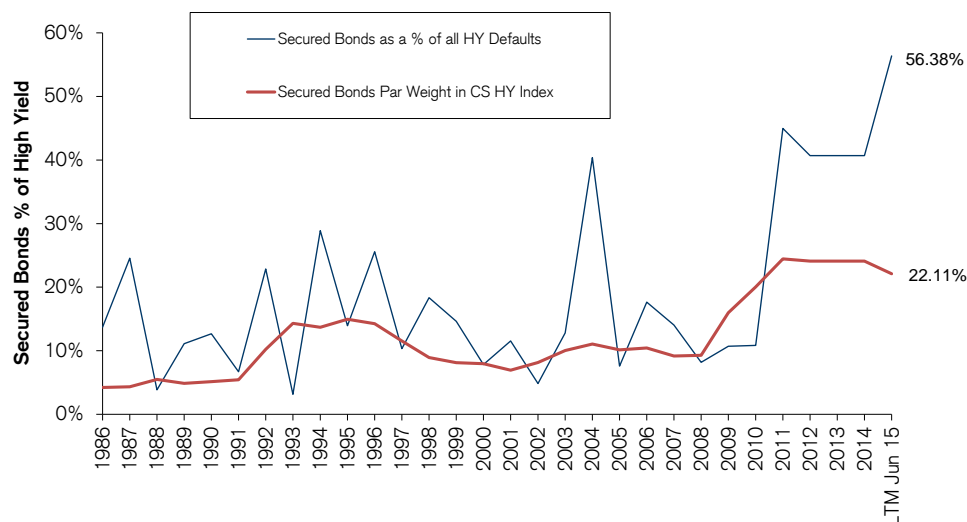
There were 19 bonds which defaulted in the second quarter for a total of \$5.0 billion face value. The quarterly default rate was 0.34%, which is an annualized rate of 1.36%. Defaults in the second quarter were concentrated in energy and metals/minerals. About 66% of the defaults by face value belonged to energy sector, whereas metal/mining accounted for 25%.

The 19 bonds defaulting in the second quarter compares to 32 in the first quarter and 5 in the fourth quarter of 2014. The decrease in count this quarter is due in part to Caesars, which had ten issues default in first quarter.

The average recovery rate (calculated using the price on the day of default) declined 697 bp to 49.46% at the end of the quarter.

Although it has fallen, the recovery rate continues to be above the long-term average of 43% because 56% of defaults for LTM June 2015 were secured bonds. The increase of secured defaults is due in part to the growth of secured bonds in the high yield market, which have relatively lower credit quality, though higher recoveries, than unsecured bonds.

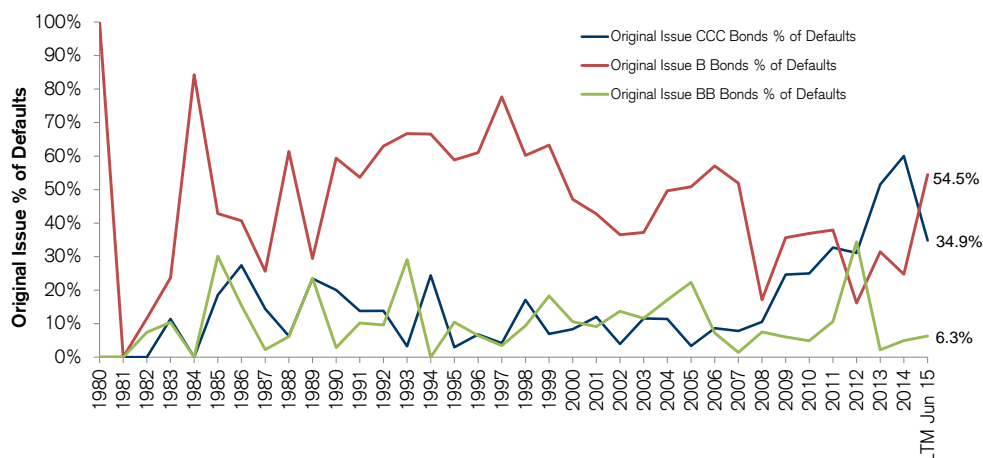
Exhibit 2: Secured Bonds as a Percentage of Defaults and as a Percentage of the Credit Suisse High Yield Index



Source: Credit Suisse

Original issue B bonds accounted for 54.5% of all defaults for LTM June 2015. Bs have increased as a percentage of all defaults in the past two quarters. CCCs accounted for 34.9% of defaults. CCC defaults have been declining over the past two quarters, reversing the trend for CCCs since 2007. B and BB default rates had been very low from 2010 to 2014, as compared to previous economic expansions in the 1990s and 2000s. Single-B defaults have increased in the past two quarters to the levels last seen in the early 2000s.

Exhibit 3: CCC Bonds as a Percentage of Defaults



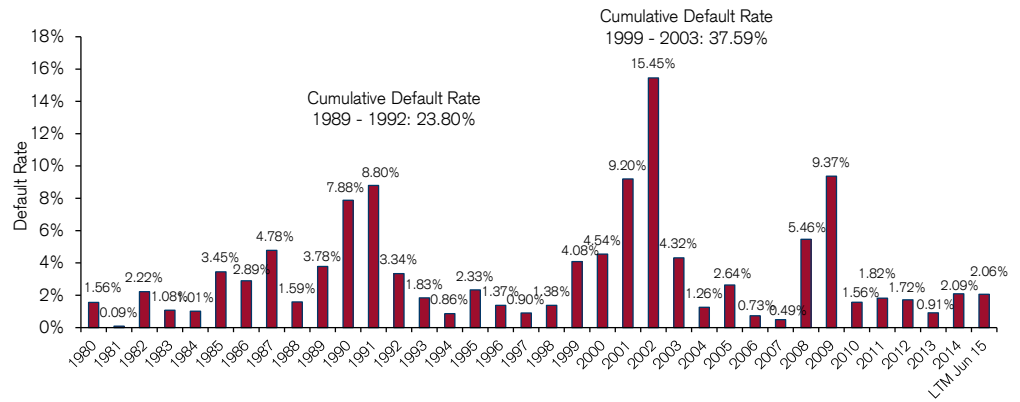
Source: Credit Suisse

Exhibit 4: Historical and Projected Default Rates

Default Rate Summary	Actual 2014	LTM June-15	Projected 2015	Projected 2016
US High Yield Bonds	2.09%	2.06%	1% - 3%	1% - 3%
US Leveraged Loans	3.01%	1.16%	1% - 2%	1% - 3%
W. European High Yield (Hedged in €)	0.89%	0.86%	0% - 1%	0.5% - 2%
W. European Lev. Loans (Hedged in €)	3.41%	1.31%	1% - 3%	1% - 3%

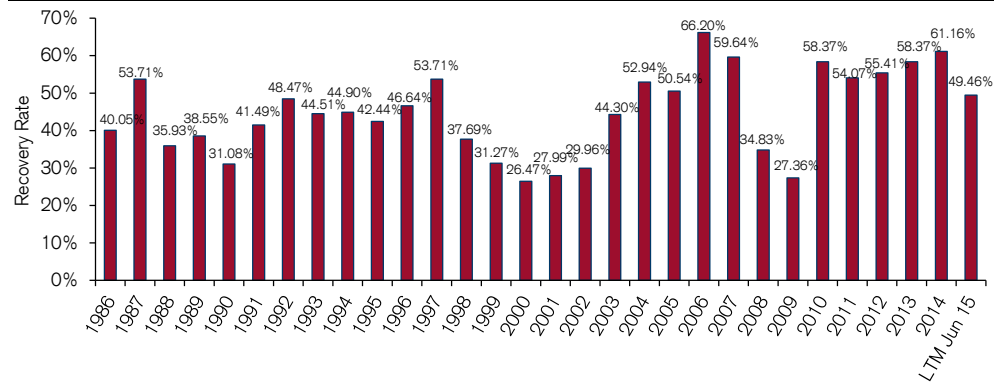
Source: Credit Suisse

Exhibit 5: Annual High Yield Default Rates: 1980 – LTM June 2015



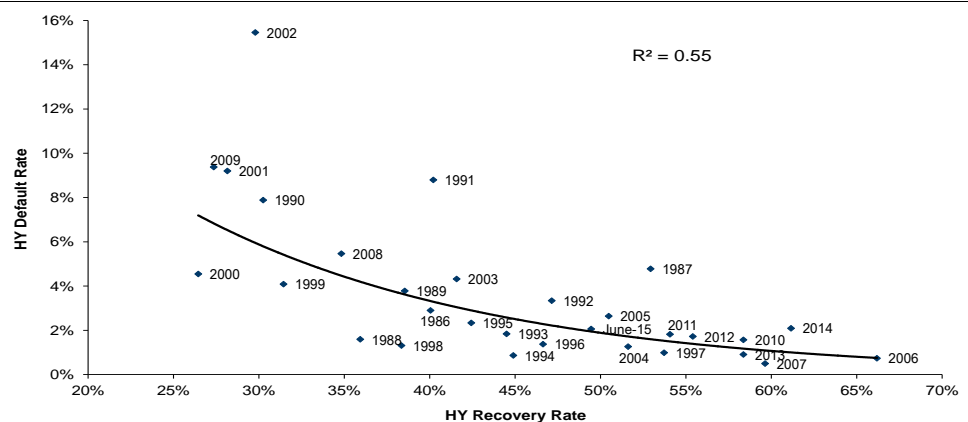
Source: Credit Suisse

Exhibit 6: Annual High Yield Recovery Rates: 1986 – LTM June 2015



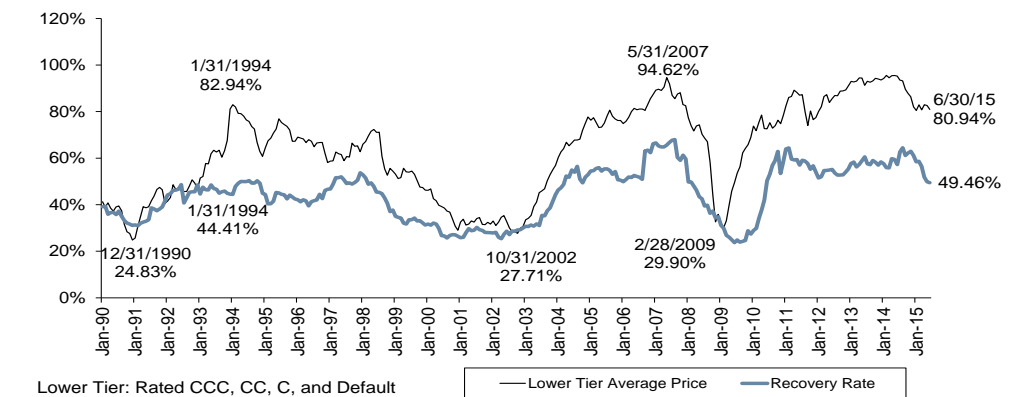
Source: Credit Suisse

Exhibit 7: High Yield Default and Recovery Rates: 1986 – LTM June 2015



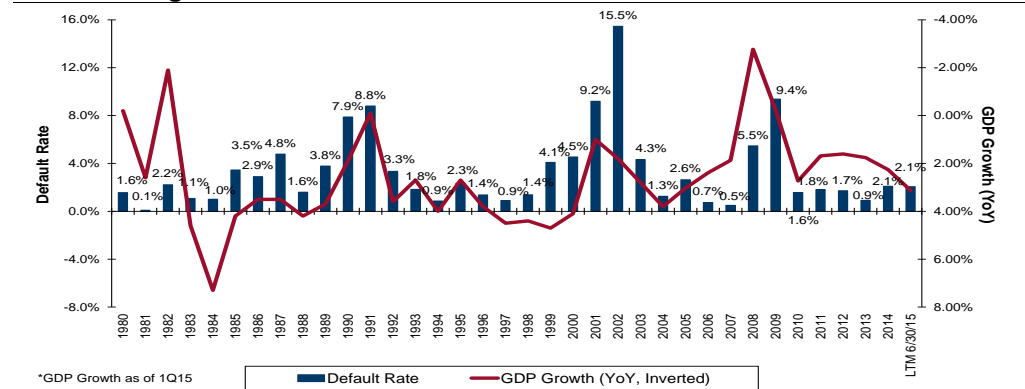
Source: Credit Suisse

Exhibit 8: Average Price of Stressed U.S. High Yield Bonds vs. Recovery Rates of High Yield Defaults: 1990 – June 2015



Source: Credit Suisse

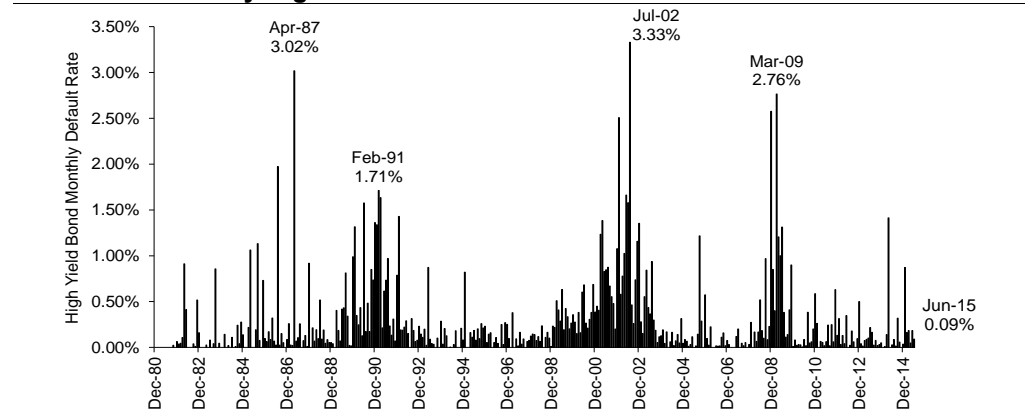
Exhibit 9: High Yield Default Rate vs. GDP Growth: 1980 – LTM June 2015



Source: Credit Suisse

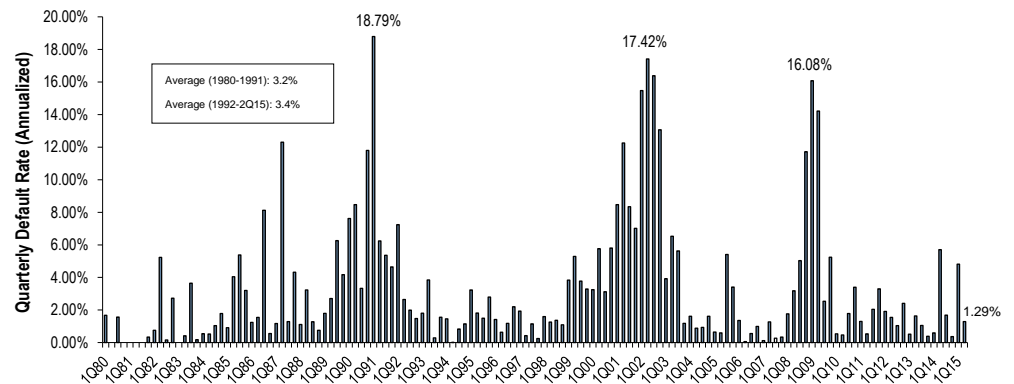
There were 4 high yield companies that defaulted in June for a total of \$1,390 million face value.

Exhibit 10: Monthly High Yield Defaults: Dec 1980 – June 2015



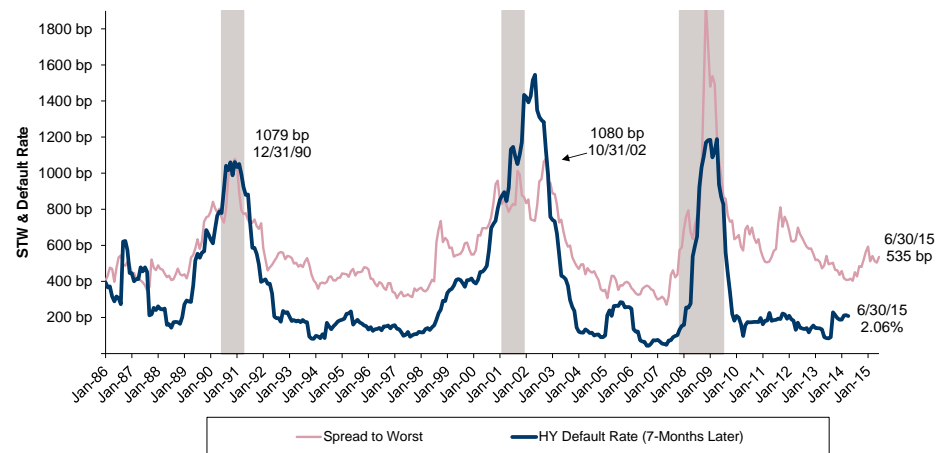
Source: Credit Suisse

Exhibit 11: Quarterly High Yield Default Rates, Annualized: 1Q80 – 2Q15



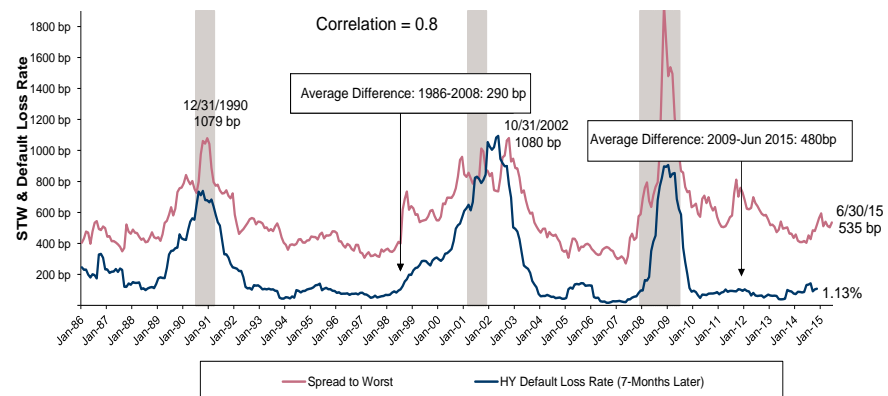
Source: Credit Suisse

Exhibit 12: High Yield Default Rate vs. Spread to Worst: 1986 – June 2015



Source: Credit Suisse

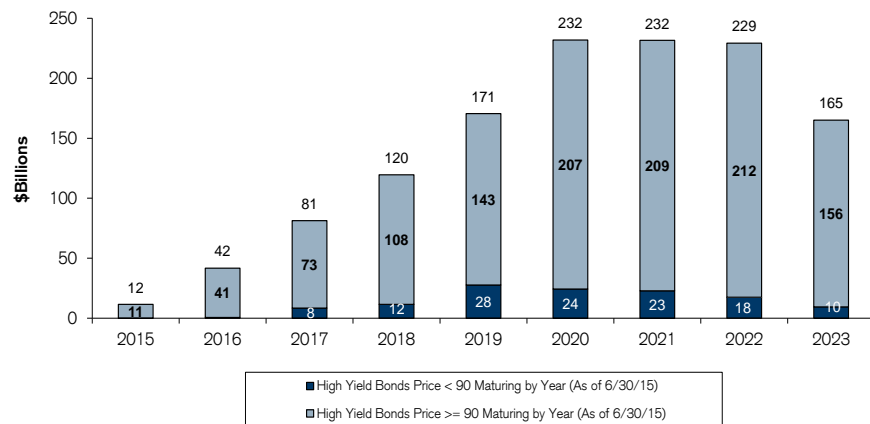
Exhibit 13: High Yield Default Loss Rate vs. Spread to Worst: 1986 – June 2015



Source: Credit Suisse

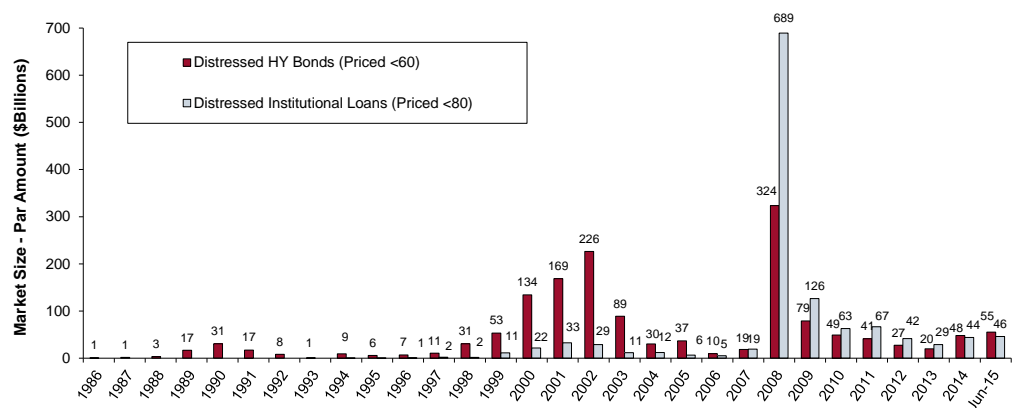
There are \$134.7 billion of high yield bonds maturing by the end of 2017. \$9.1 billion of these are currently priced below 90.

Exhibit 14: High Yield Bonds Maturing by Year (Par Amount): as of June 2015



Source: Credit Suisse

Exhibit 15: Growth of the U.S. Distressed Debt Markets (by Price Break): 1986 – June 2015



Source: Credit Suisse

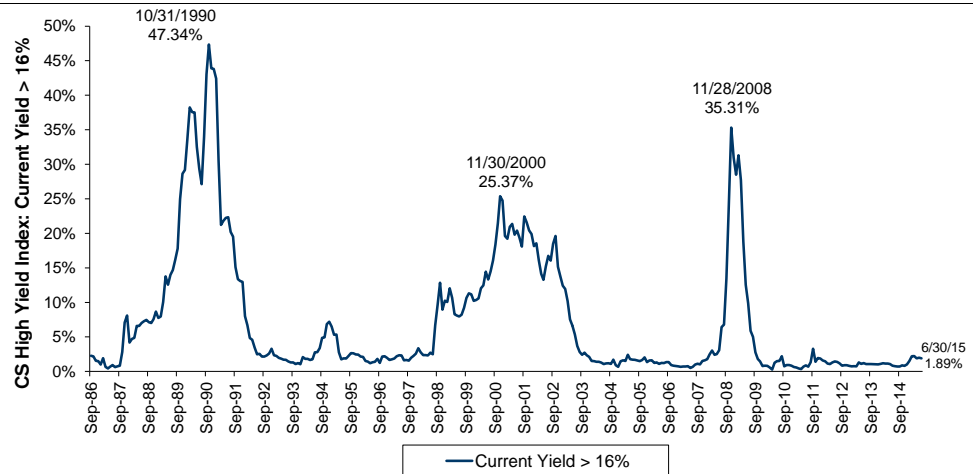
Exhibit 16: Returns of Distressed Debt* and Equity

	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13	1H14	2H14	1H15
Credit Suisse Leveraged Equity Index: Distressed Sector	20.42%	5.23%	-6.44%	-62.86%	3.11%	23.83%	262.88%	238.26%	-35.12%	-31.30%	2.47%
Credit Suisse High Yield Index: Distressed Sector*	10.85%	6.12%	5.20%	-10.13%	-4.92%	-1.61%	0.88%	3.54%	2.80%	-29.86%	-14.13%
Credit Suisse Leveraged Loan Index: Distressed Sector*	2.91%	6.87%	4.23%	-6.84%	9.86%	20.13%	10.01%	2.91%	31.80%	-15.42%	-2.89%

*Rated CC, C or default

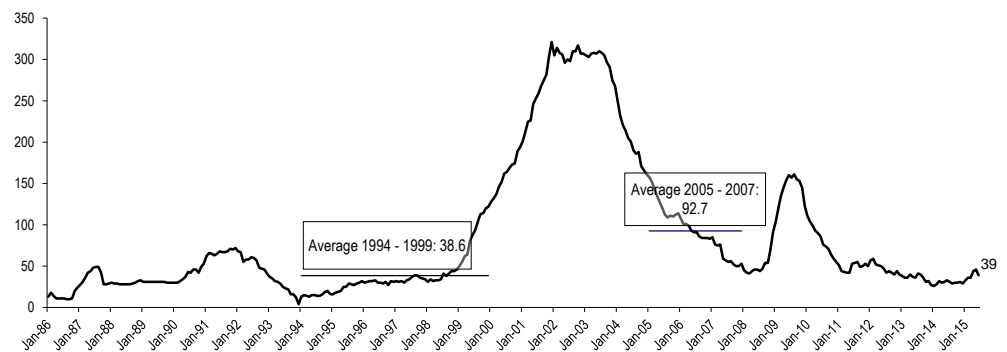
Source: Credit Suisse

Exhibit 17: Percentage of the High Yield Market with Current Yield > 16%: Sep 1986 – June 2015



Source: Credit Suisse

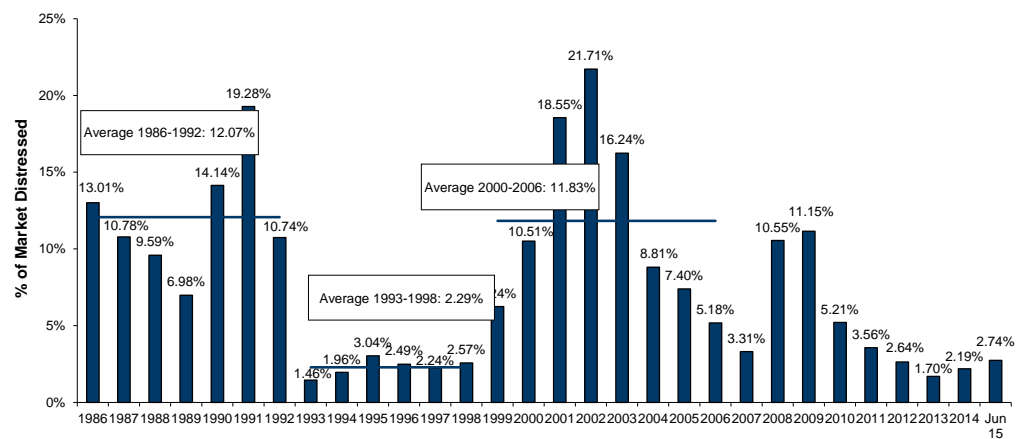
Exhibit 18: Number of Issues in the Credit Suisse High Yield Index: Distressed Sector* 1986 – June 2015



*Bonds rated CC, C or default

Source: Credit Suisse

Exhibit 19: CS HY Index: Distressed Sector* as a Percentage of the U.S. HY Bond Market



Source: Credit Suisse; Distressed includes bonds rated CC, C and default

Exhibit 20: Annual Default Loss, Principal Loss, and Recovery Rates

Year	Defaulted Amount (\$Billion)	Avg Default Loss Rate	Avg Principal Loss Rate	Avg Recovery Rate	Default Rate
1977	0.03	0.14%	62.75%	37.25%	0.21%
1978	0.01	0.05%	40.00%	60.00%	0.12%
1979	0.03	0.10%	69.00%	31.00%	0.14%
1980	0.23	1.33%	80.56%	19.44%	1.56%
1981	0.03	0.08%	88.00%	12.00%	0.09%
1982	0.74	1.50%	62.66%	37.34%	2.22%
1983	0.40	0.58%	48.43%	51.57%	1.08%
1984	0.48	0.50%	43.72%	56.28%	1.01%
1985	2.29	2.15%	56.19%	43.81%	3.45%
1986	3.01	1.90%	59.95%	40.05%	2.89%
1987	7.28	2.47%	46.29%	53.71%	4.78%
1988	3.01	1.11%	64.07%	35.93%	1.59%
1989	8.31	2.56%	61.45%	38.55%	3.78%
1990	17.91	5.91%	68.92%	31.08%	7.88%
1991	18.61	5.66%	58.51%	41.49%	8.80%
1992	6.86	1.91%	51.53%	48.47%	3.34%
1993	4.10	1.13%	55.49%	44.51%	1.83%
1994	2.24	0.52%	55.10%	44.90%	0.86%
1995	6.80	1.48%	57.56%	42.44%	2.33%
1996	4.53	0.80%	53.36%	46.64%	1.37%
1997	3.65	0.47%	46.29%	53.71%	0.90%
1998	7.06	0.92%	62.31%	37.69%	1.38%
1999	24.95	3.01%	68.73%	31.27%	4.08%
2000	29.97	3.55%	73.53%	26.47%	4.54%
2001	64.61	7.04%	72.01%	27.99%	9.20%
2002	122.86	11.51%	70.04%	29.96%	15.45%
2003	37.43	2.60%	55.70%	44.30%	4.32%
2004	10.87	0.65%	47.06%	52.94%	1.26%
2005	22.76	1.43%	49.46%	50.54%	2.64%
2006	6.43	0.28%	33.80%	66.20%	0.73%
2007	4.34	0.22%	40.36%	59.64%	0.49%
2008	49.59	3.78%	65.17%	34.83%	5.46%
2009	90.90	7.22%	72.64%	27.36%	9.37%
2010	16.27	0.73%	41.63%	58.37%	1.56%
2011	19.61	0.92%	45.93%	54.07%	1.82%
2012	19.77	0.84%	44.59%	55.41%	1.72%
2013	11.52	0.43%	41.63%	58.37%	0.91%
2014	28.82	0.92%	38.84%	61.16%	2.09%
LTM Jun 15	30.16	1.13%	50.54%	49.46%	2.06%
Average	17.65	2.04%	56.51%	43.49%	3.06%

Source: Credit Suisse

Exhibit 21: Quarterly 12-Month Rolling Default Rate

Year	Quarter	12-mth	MktSize	MktSize	12-mth	Year	Quarter	12-mth	MktSize	MktSize	12-mth
		Rolling						Rolling			
		Amount		Midpoint	Default Rate			Amount		Midpoint	Default Rate
1980	1Q		28.3			1997	4Q	3.7	454.3	405.2	0.90%
1980	2Q		28.8			1998	1Q	3.8	516.3	446.2	0.86%
1980	3Q		29.3			1998	2Q	5.1	546.5	474.4	1.07%
1980	4Q	0.2	29.8	29.0	0.80%	1998	3Q	5.8	560.0	494.1	1.17%
1981	1Q	0.1	30.3	29.3	0.39%	1998	4Q	7.1	571.0	512.7	1.38%
1981	2Q	0.1	30.8	29.8	0.38%	1999	1Q	10.7	595.9	556.1	1.93%
1981	3Q	0.0	31.3	30.3	0.00%	1999	2Q	17.1	621.7	584.1	2.93%
1981	4Q	0.0	31.8	30.8	0.09%	1999	3Q	21.2	643.2	601.6	3.52%
1982	1Q	0.1	32.4	31.3	0.28%	1999	4Q	24.9	651.7	611.4	4.08%
1982	2Q	0.5	33.1	31.9	1.62%	2000	1Q	24.7	668.2	632.1	3.91%
1982	3Q	0.5	33.9	32.6	1.63%	2000	2Q	26.3	668.9	645.3	4.08%
1982	4Q	0.7	34.6	33.2	2.22%	2000	3Q	25.6	673.5	658.4	3.88%
1983	1Q	0.7	35.7	34.1	1.98%	2000	4Q	30.0	667.9	659.8	4.54%
1983	2Q	0.3	37.2	35.2	0.81%	2001	1Q	39.1	703.6	685.9	5.70%
1983	3Q	0.6	38.8	36.3	1.70%	2001	2Q	51.5	731.2	700.1	7.35%
1983	4Q	0.4	40.3	37.4	1.08%	2001	3Q	61.5	730.2	701.8	8.76%
1984	1Q	0.5	43.0	39.3	1.17%	2001	4Q	64.6	737.3	702.6	9.20%
1984	2Q	0.5	46.8	42.0	1.14%	2002	1Q	78.5	732.8	718.2	10.93%
1984	3Q	0.3	50.7	44.7	0.58%	2002	2Q	90.1	807.6	769.4	11.71%
1984	4Q	0.5	54.6	47.4	1.01%	2002	3Q	108.3	825.8	778.0	13.92%
1985	1Q	0.6	59.6	51.3	1.07%	2002	4Q	122.9	852.8	795.0	15.45%
1985	2Q	1.1	65.8	56.3	2.00%	2003	1Q	102.8	857.2	795.0	12.93%
1985	3Q	1.9	72.1	61.4	3.14%	2003	2Q	83.4	876.3	841.9	9.91%
1985	4Q	2.3	78.3	66.4	3.45%	2003	3Q	62.3	872.8	849.3	7.33%
1986	1Q	2.4	88.2	73.9	3.27%	2003	4Q	37.4	881.3	867.0	4.32%
1986	2Q	2.2	102.0	83.9	2.57%	2004	1Q	32.6	879.6	868.4	3.75%
1986	3Q	3.4	115.7	93.9	3.66%	2004	2Q	20.4	843.7	860.0	2.37%
1986	4Q	3.0	129.4	103.8	2.89%	2004	3Q	10.0	849.9	861.4	1.16%
1987	1Q	3.1	141.9	115.0	2.73%	2004	4Q	10.9	847.8	864.6	1.26%
1987	2Q	7.3	153.1	127.5	5.74%	2005	1Q	8.7	851.9	865.8	1.00%
1987	3Q	5.6	164.3	140.0	4.01%	2005	2Q	8.1	938.0	890.9	0.91%
1987	4Q	7.3	175.6	152.5	4.78%	2005	3Q	18.6	904.5	877.2	2.12%
1988	1Q	7.4	184.3	163.1	4.53%	2005	4Q	22.8	878.0	862.9	2.64%
1988	2Q	4.4	190.5	171.8	2.54%	2006	1Q	24.3	854.2	853.1	2.85%
1988	3Q	4.5	196.7	180.5	2.48%	2006	2Q	23.1	856.5	897.3	2.58%
1988	4Q	3.0	202.9	189.2	1.59%	2006	3Q	11.9	855.8	880.1	1.35%
1989	1Q	3.4	210.5	197.4	1.74%	2006	4Q	6.4	875.9	877.0	0.73%
1989	2Q	3.4	219.4	205.0	1.65%	2007	1Q	3.7	873.2	863.7	0.43%
1989	3Q	6.3	228.4	212.5	2.94%	2007	2Q	6.4	866.4	861.4	0.74%
1989	4Q	8.3	237.3	220.1	3.78%	2007	3Q	5.8	863.6	859.7	0.67%
1990	1Q	11.9	238.3	224.4	5.31%	2007	4Q	4.3	888.0	881.9	0.49%
1990	2Q	15.4	231.3	225.4	6.85%	2008	1Q	7.9	870.7	872.0	0.91%
1990	3Q	13.8	224.3	226.3	6.11%	2008	2Q	12.2	902.0	884.2	1.38%
1990	4Q	17.9	217.2	227.3	7.88%	2008	3Q	23.2	925.1	894.4	2.59%
1991	1Q	23.5	212.6	225.5	10.42%	2008	4Q	49.6	928.0	908.0	5.46%
1991	2Q	21.8	210.4	220.9	9.88%	2009	1Q	83.1	933.1	901.9	9.22%
1991	3Q	22.7	208.2	216.2	10.51%	2009	2Q	110.1	980.0	941.0	11.70%
1991	4Q	18.6	206.0	211.6	8.80%	2009	3Q	104.9	1003.2	964.1	10.88%
1992	1Q	12.2	204.9	208.8	5.86%	2009	4Q	90.9	1011.8	969.9	9.37%
1992	2Q	10.3	204.9	207.7	4.96%	2010	1Q	54.9	1026.1	979.6	5.60%
1992	3Q	8.5	204.9	206.6	4.12%	2010	2Q	22.0	1029.0	1004.5	2.19%
1992	4Q	6.9	204.9	205.5	3.34%	2010	3Q	20.4	1061.3	1032.2	1.98%
1993	1Q	4.1	210.2	207.5	1.96%	2010	4Q	16.3	1068.4	1040.1	1.56%
1993	2Q	4.8	220.7	212.8	2.25%	2011	1Q	18.4	1089.1	1057.6	1.74%
1993	3Q	3.9	231.2	218.1	1.80%	2011	2Q	18.7	1115.2	1072.1	1.74%
1993	4Q	4.1	241.7	223.3	1.83%	2011	3Q	19.7	1091.1	1076.2	1.83%
1994	1Q	4.1	251.4	230.8	1.76%	2011	4Q	19.6	1088.6	1078.5	1.82%
1994	2Q	2.0	260.3	240.5	0.83%	2012	1Q	21.4	1112.4	1100.8	1.94%
1994	3Q	2.4	269.3	250.2	0.95%	2012	2Q	24.2	1113.6	1114.4	2.17%
1994	4Q	2.2	278.2	259.9	0.86%	2012	3Q	21.6	1180.8	1136.0	1.90%
1995	1Q	3.6	285.7	268.6	1.35%	2012	4Q	19.8	1214.5	1151.5	1.72%
1995	2Q	4.9	292.0	276.2	1.78%	2013	1Q	16.1	1261.4	1186.9	1.36%
1995	3Q	5.5	298.2	283.7	1.93%	2013	2Q	17.0	1285.3	1199.4	1.42%
1995	4Q	6.8	304.5	291.3	2.33%	2013	3Q	17.4	1301.6	1241.2	1.40%
1996	1Q	5.6	314.6	300.1	1.87%	2013	4Q	11.5	1326.1	1270.3	0.91%
1996	2Q	4.8	328.4	310.2	1.55%	2014	1Q	11.9	1353.4	1307.4	0.91%
1996	3Q	4.7	342.3	320.3	1.47%	2014	2Q	26.3	1391.4	1338.4	1.96%
1996	4Q	4.5	356.2	330.3	1.37%	2014	3Q	28.8	1418.9	1360.3	2.12%
1997	1Q	5.2	376.1	345.3	1.50%	2014	4Q	28.8	1435.7	1380.9	2.09%
1997	2Q	5.1	402.2	365.3	1.40%	2015	1Q	44.8	1545.1	1449.2	3.09%
1997	3Q	5.3	428.3	385.3	1.38%	2015	2Q	30.2	1541.2	1466.3	2.06%

Source: Credit Suisse

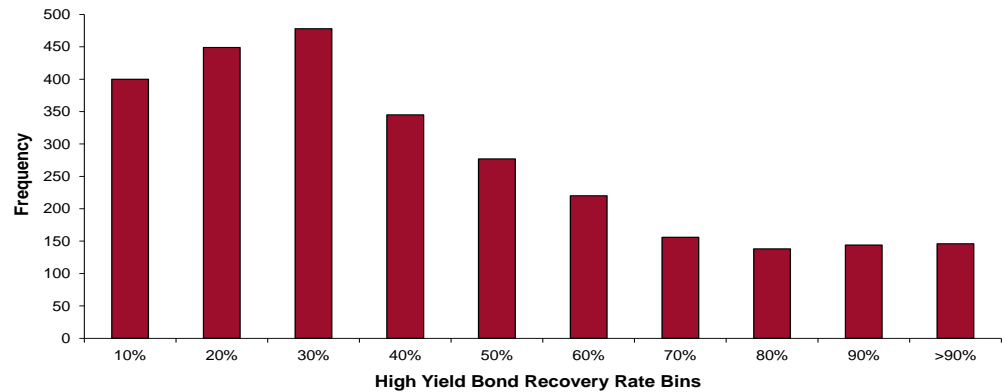
Exhibit 22: Credit Suisse Quarterly Default Rates, Annualized

Quarterly High Yield Bond Default Rate, Annualized				
Year	Q1	Q2	Q3	Q4
1980	1.68%	0.00%	1.56%	0.00%
1981	0.00%	0.00%	0.00%	0.34%
1982	0.76%	5.24%	0.16%	2.73%
1983	0.00%	0.42%	3.65%	0.18%
1984	0.55%	0.70%	1.04%	1.79%
1985	4.29%	4.04%	5.76%	0.64%
1986	1.24%	1.55%	8.58%	0.55%
1987	1.17%	12.31%	1.29%	4.33%
1988	1.11%	3.23%	1.28%	0.75%
1989	1.80%	2.70%	6.26%	4.17%
1990	7.62%	8.43%	3.33%	11.80%
1991	18.79%	6.24%	5.28%	4.65%
1992	7.25%	2.65%	2.02%	1.48%
1993	1.81%	3.85%	0.29%	1.56%
1994	1.46%	0.00%	0.83%	1.15%
1995	3.23%	1.82%	1.50%	2.85%
1996	1.42%	0.64%	1.18%	2.20%
1997	1.93%	0.56%	1.03%	0.56%
1998	1.01%	1.77%	1.16%	1.09%
1999	3.83%	5.30%	3.78%	3.29%
2000	3.25%	5.77%	3.00%	5.64%
2001	8.47%	12.08%	8.34%	7.02%
2002	15.56%	17.35%	16.38%	12.99%
2003	3.20%	6.10%	6.01%	1.18%
2004	1.62%	0.88%	1.00%	1.62%
2005	0.65%	0.60%	5.41%	3.41%
2006	1.36%	0.06%	0.56%	1.00%
2007	0.12%	1.27%	0.18%	0.34%
2008	1.76%	3.18%	5.04%	11.72%
2009	16.08%	14.22%	2.54%	5.24%
2010	0.54%	0.46%	1.79%	3.40%
2011	1.30%	0.54%	2.04%	3.30%
2012	1.91%	1.55%	1.04%	2.41%
2013	0.52%	1.64%	1.05%	0.39%
2014	0.60%	5.71%	1.69%	0.37%
2015	4.82%	1.29%		
Average	3.41%	3.73%	3.03%	3.03%

Source: Credit Suisse

The long-term distribution of high yield defaults shows a large number of defaults with very low recoveries, under 30%, many of which occurred during the 2002 default cycle.

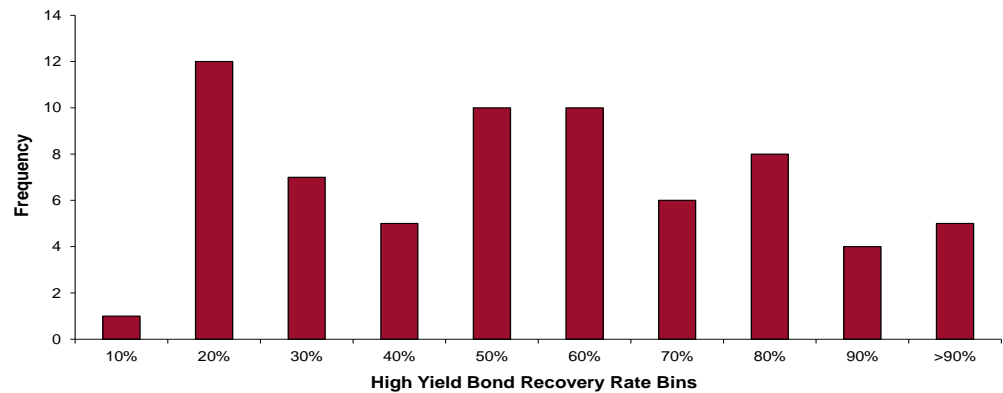
Exhibit 23: Distribution of High Yield Default Recovery Rates: 1986 – June 2015



Source: Credit Suisse

Over the past twelve months, the distribution of recovery rates has skewed lower as the overall recovery rate has decreased, from 56.43% at the end of the first quarter to 49.46% currently. This is still above the long-term average of 43.49%.

Exhibit 24: Distribution of High Yield Default Recovery Rates: LTM June 2015



Source: Credit Suisse

Industry

Exhibit 25: Default Rates Over Time by Industry: 1986 – LTM June 2015

	Aerospace	Chemicals	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
1986	0.45%	0.00%	0.00%	0.00%	4.70%	0.00%	0.00%	0.36%	0.00%	0.16%	0.00%	0.00%	0.00%	20.02%	0.00%	32.55%	0.66%	0.00%	0.00%	0.00%	2.89%
1987	0.00%	0.00%	0.00%	0.24%	28.19%	0.30%	0.00%	0.00%	0.00%	0.00%	28.19%	1.82%	2.05%	0.25%	1.45%	0.00%	0.00%	4.03%	0.69%	21.15%	4.78%
1988	1.06%	3.80%	0.00%	0.23%	0.48%	8.37%	0.28%	0.17%	0.00%	1.37%	3.42%	0.89%	0.00%	0.14%	2.14%	2.11%	5.59%	0.53%	0.32%	0.00%	1.59%
1989	6.76%	0.00%	0.00%	0.15%	0.00%	39.37%	5.44%	0.00%	0.00%	10.30%	0.87%	8.23%	1.02%	1.62%	3.40%	0.00%	1.13%	0.00%	1.29%	0.00%	3.78%
1990	19.71%	3.39%	35.49%	3.68%	0.75%	9.98%	1.33%	0.24%	0.64%	23.56%	0.37%	4.19%	16.73%	7.44%	2.53%	20.57%	33.44%	15.32%	2.39%	0.00%	7.88%
1991	17.47%	0.00%	9.93%	12.92%	19.13%	23.51%	0.96%	0.31%	5.31%	15.95%	14.74%	2.05%	18.79%	12.91%	3.72%	13.48%	19.79%	14.14%	1.75%	3.19%	8.80%
1992	0.00%	0.00%	0.00%	1.24%	2.19%	0.49%	2.83%	1.68%	0.00%	7.36%	4.96%	0.55%	7.21%	2.59%	2.93%	2.03%	14.66%	7.21%	0.00%	11.17%	3.34%
1993	0.00%	0.00%	0.00%	0.00%	4.30%	2.03%	0.43%	2.58%	0.43%	0.32%	0.72%	0.00%	18.19%	8.91%	0.62%	3.83%	0.41%	9.19%	0.00%	0.00%	1.83%
1994	5.75%	0.00%	0.00%	0.00%	0.49%	1.26%	2.10%	0.00%	1.12%	1.27%	0.00%	0.00%	1.70%	0.02%	0.66%	0.00%	2.25%	1.76%	0.00%	0.00%	0.86%
1995	0.00%	1.08%	0.00%	2.71%	0.44%	5.63%	12.89%	2.77%	0.00%	3.73%	0.80%	4.23%	4.22%	0.00%	0.85%	0.00%	7.67%	0.00%	0.78%	0.00%	2.33%
1996	0.00%	0.00%	0.00%	1.63%	0.49%	0.00%	0.45%	4.14%	1.47%	1.47%	0.00%	0.00%	0.00%	1.59%	1.63%	0.00%	1.01%	3.17%	2.77%	3.99%	1.37%
1997	0.00%	0.00%	0.00%	1.19%	0.00%	1.85%	1.34%	8.27%	0.00%	0.00%	0.00%	0.00%	0.00%	1.26%	0.62%	0.00%	3.63%	0.00%	1.72%	1.16%	0.90%
1998	0.00%	1.98%	0.00%	4.79%	0.49%	4.85%	7.55%	0.47%	0.51%	1.14%	0.57%	0.00%	0.00%	0.00%	1.40%	1.05%	0.00%	0.00%	0.79%	0.00%	1.38%
1999	0.00%	1.33%	24.91%	5.13%	11.04%	1.59%	13.15%	3.36%	0.59%	1.96%	10.43%	0.48%	2.45%	4.41%	2.17%	7.01%	7.26%	8.51%	4.43%	1.17%	4.08%
2000	0.83%	2.03%	2.12%	6.81%	0.60%	5.57%	11.77%	11.90%	3.76%	3.88%	4.23%	12.79%	10.01%	3.32%	2.65%	5.99%	6.64%	4.81%	10.90%	1.23%	4.54%
2001	5.58%	7.89%	8.08%	7.29%	0.00%	14.12%	2.59%	10.62%	12.16%	1.46%	1.97%	2.38%	14.09%	7.17%	11.25%	9.49%	2.18%	3.48%	11.68%	30.20%	9.20%
2002	21.87%	3.92%	0.00%	3.15%	2.66%	13.10%	1.85%	4.34%	4.51%	0.39%	0.32%	3.52%	3.20%	3.38%	37.49%	12.52%	11.32%	4.13%	2.99%	13.61%	15.45%
2003	3.58%	3.26%	0.00%	4.42%	3.40%	0.97%	10.72%	2.18%	1.02%	0.43%	10.54%	0.80%	5.50%	2.77%	5.28%	5.00%	2.40%	2.99%	3.19%	7.97%	4.32%
2004	9.93%	0.29%	0.00%	1.58%	0.48%	0.00%	0.00%	2.05%	1.20%	3.41%	0.00%	0.00%	0.00%	1.61%	1.57%	0.53%	0.68%	1.52%	1.41%	0.00%	1.26%
2005	19.23%	0.00%	8.73%	0.13%	0.00%	3.30%	1.92%	0.00%	1.14%	0.00%	0.71%	0.00%	0.00%	2.62%	3.95%	1.14%	0.71%	0.00%	5.21%	5.54%	2.64%
2006	0.00%	0.00%	3.62%	1.07%	0.00%	0.19%	0.00%	0.51%	2.00%	0.35%	0.00%	0.67%	0.00%	0.44%	0.72%	0.00%	0.00%	0.74%	3.81%	0.00%	0.73%
2007	0.00%	0.00%	5.53%	0.65%	0.00%	3.29%	0.23%	0.46%	0.56%	1.27%	0.35%	0.00%	0.00%	0.00%	0.32%	0.00%	1.38%	0.00%	0.91%	0.00%	0.49%
2008	0.00%	0.00%	0.00%	1.61%	0.99%	54.19%	0.00%	4.26%	5.29%	10.63%	0.00%	7.48%	0.00%	0.63%	2.40%	0.00%	0.62%	0.45%	1.97%	0.00%	5.46%
2009	0.00%	16.32%	13.23%	5.98%	1.68%	13.37%	0.00%	1.16%	18.81%	19.92%	0.00%	4.46%	12.95%	1.36%	16.33%	4.69%	5.12%	0.00%	26.34%	0.55%	9.37%
2010	0.00%	0.00%	0.00%	0.00%	0.74%	1.10%	2.02%	0.00%	0.62%	0.00%	0.50%	1.05%	0.00%	1.27%	1.15%	1.23%	1.48%	11.68%	0.00%	6.05%	1.56%
2011	6.46%	0.00%	0.00%	0.00%	2.51%	1.01%	0.00%	1.52%	5.84%	0.73%	0.18%	7.11%	0.00%	0.00%	0.41%	0.00%	1.41%	0.44%	1.13%	7.77%	1.82%
2012	2.62%	0.61%	0.00%	4.15%	1.95%	4.61%	0.00%	1.11%	1.79%	1.66%	0.37%	0.00%	0.00%	0.00%	0.44%	0.41%	0.84%	0.37%	0.99%	11.19%	1.72%
2013	0.00%	0.45%	0.00%	0.00%	0.69%	0.24%	0.00%	0.00%	0.00%	1.13%	1.25%	0.47%	0.28%	0.00%	2.41%	0.53%	0.00%	2.29%	1.26%	0.00%	0.91%
2014	0.60%	6.31%	0.00%	0.00%	0.36%	0.00%	0.00%	0.00%	0.90%	0.68%	0.24%	0.00%	1.40%	0.00%	2.04%	1.21%	0.27%	1.37%	0.00%	30.34%	2.09%
LTM Jun 15	1.11%	0.59%	0.00%	0.00%	2.30%	0.00%	0.00%	0.00%	1.43%	21.04%	0.00%	0.00%	0.00%	0.00%	1.87%	3.00%	0.65%	3.47%	0.87%	0.00%	2.06%
Average:	4.10%	1.77%	3.72%	2.36%	3.03%	7.14%	2.66%	2.15%	2.37%	4.52%	2.86%	2.11%	3.99%	2.86%	3.81%	4.28%	4.44%	3.39%	2.99%	5.21%	3.65%

Source: Credit Suisse

Exhibit 26: Default Loss Rates Over Time by Industry: 1986 – LTM June 2015

	Aerospace	Chemicals	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
1986	0.33%	0.00%	0.00%	0.00%	3.21%	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	10.82%	0.00%	21.04%	0.00%	0.00%	0.00%	0.00%	1.90%
1987	0.00%	0.00%	0.00%	0.17%	10.94%	0.21%	0.00%	0.00%	0.00%	0.00%	22.07%	0.00%	0.43%	0.00%	1.16%	0.00%	0.00%	3.83%	0.41%	9.44%	2.47%
1988	0.83%	2.66%	0.00%	0.20%	0.29%	6.88%	0.19%	0.07%	0.00%	0.32%	2.49%	0.77%	0.00%	0.00%	1.56%	1.21%	2.99%	0.42%	0.22%	0.00%	1.11%
1989	0.95%	0.00%	0.00%	0.10%	0.00%	30.38%	3.53%	0.00%	0.00%	3.62%	0.86%	6.31%	0.00%	1.45%	1.88%	0.00%	0.82%	0.00%	1.14%	0.00%	2.56%
1990	15.05%	1.61%	28.55%	2.31%	0.00%	7.80%	1.02%	0.22%	0.33%	19.57%	0.28%	3.93%	13.98%	5.46%	1.23%	14.06%	24.91%	11.83%	1.62%	0.00%	5.91%
1991	13.81%	0.00%	8.95%	10.52%	5.05%	19.01%	0.74%	0.20%	3.80%	9.54%	12.08%	1.06%	10.98%	7.12%	2.86%	7.82%	13.57%	11.38%	1.18%	1.70%	5.66%
1992	0.00%	0.00%	0.00%	0.80%	0.90%	0.25%	1.78%	0.40%	0.00%	4.03%	3.13%	0.40%	5.08%	1.37%	1.55%	1.34%	11.13%	4.16%	0.00%	4.62%	1.91%
1993	0.00%	0.00%	0.00%	0.00%	0.06%	1.41%	0.29%	1.59%	0.34%	0.21%	0.52%	0.00%	13.16%	4.50%	0.39%	2.98%	0.40%	5.99%	0.00%	0.00%	1.13%
1994	3.27%	0.00%	0.00%	0.00%	0.43%	0.00%	1.62%	0.00%	0.55%	0.68%	0.00%	0.00%	1.14%	0.01%	0.36%	0.00%	1.13%	1.16%	0.00%	0.00%	0.52%
1995	0.00%	0.38%	0.00%	1.92%	0.16%	2.83%	8.51%	1.13%	0.00%	2.44%	0.56%	2.80%	1.73%	0.00%	0.64%	0.00%	5.83%	0.00%	0.69%	0.00%	1.48%
1996	0.00%	0.00%	0.00%	1.34%	0.35%	0.00%	0.27%	2.40%	1.14%	0.64%	0.00%	0.00%	0.00%	1.05%	0.94%	0.00%	0.74%	1.15%	0.96%	1.90%	0.80%
1997	0.00%	0.00%	0.00%	0.73%	0.00%	1.14%	0.21%	3.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.61%	0.00%	2.05%	0.00%	1.23%	1.23%	0.47%
1998	0.00%	1.10%	0.00%	3.12%	0.34%	3.44%	5.21%	0.13%	0.39%	0.38%	0.29%	0.00%	0.00%	0.00%	1.01%	0.89%	0.00%	0.00%	0.66%	0.00%	0.92%
1999	0.00%	0.98%	19.46%	4.10%	7.06%	1.35%	9.36%	2.42%	0.31%	1.52%	9.59%	0.46%	2.12%	2.79%	1.54%	5.61%	5.52%	4.74%	3.44%	0.94%	3.01%
2000	0.45%	1.67%	1.60%	5.86%	0.25%	4.29%	7.70%	8.09%	2.77%	2.74%	3.69%	9.88%	8.56%	3.10%	2.01%	5.30%	5.95%	3.74%	8.63%	0.67%	3.55%
2001	4.09%	6.03%	6.52%	6.19%	0.00%	3.43%	1.86%	8.08%	10.63%	1.24%	1.49%	1.32%	5.84%	6.25%	10.10%	8.51%	1.93%	3.32%	10.59%	17.21%	7.04%
2002	14.24%	3.14%	0.00%	2.92%	1.28%	11.39%	1.02%	2.77%	1.61%	0.18%	0.19%	2.42%	2.68%	2.76%	29.58%	8.95%	6.14%	3.91%	2.04%	9.10%	11.51%
2003	3.03%	2.23%	0.00%	3.42%	1.54%	0.81%	9.34%	1.27%	0.67%	0.21%	6.12%	0.47%	3.66%	2.01%	3.38%	3.21%	1.63%	1.91%	2.07%	2.15%	2.60%
2004	5.84%	0.23%	0.00%	1.07%	0.26%	0.00%	0.00%	1.53%	0.56%	0.42%	0.00%	0.00%	0.00%	0.66%	0.72%	0.20%	0.00%	0.00%	0.69%	0.00%	0.65%
2005	16.08%	0.00%	5.78%	0.02%	0.00%	0.64%	0.91%	0.00%	0.53%	0.00%	0.38%	0.00%	0.00%	1.33%	0.88%	0.32%	0.62%	0.00%	2.82%	3.14%	1.43%
2006	0.00%	0.00%	3.10%	0.61%	0.00%	0.14%	0.00%	0.47%	1.05%	0.01%	0.00%	0.09%	0.00%	0.11%	0.15%	0.00%	0.00%	0.63%	1.53%	0.00%	0.28%
2007	0.00%	0.00%	4.84%	0.12%	0.00%	2.43%	0.04%	0.13%	0.28%	0.20%	0.26%	0.00%	0.00%	0.00%	0.13%	0.00%	1.07%	0.00%	0.43%	0.00%	0.22%
2008	0.00%	0.00%	0.00%	1.12%	0.52%	30.44%	0.00%	3.12%	3.66%	7.60%	0.00%	6.03%	0.00%	0.60%	1.87%	0.00%	0.58%	0.42%	1.89%	0.00%	3.78%
2009	0.00%	13.31%	11.68%	4.96%	1.08%	7.05%	0.00%	1.15%	15.84%	16.26%	0.00%	2.74%	9.84%	0.77%	13.40%	4.34%	3.84%	0.00%	22.50%	0.22%	7.22%
2010	0.00%	0.00%	0.00%	0.00%	0.12%	0.72%	0.49%	0.00%	0.10%	0.00%	0.32%	0.76%	0.00%	0.70%	0.53%	0.57%	0.87%	3.62%	0.00%	2.59%	0.73%
2011	3.91%	0.00%	0.00%	0.00%	0.64%	0.75%	0.00%	0.98%	4.10%	0.32%	0.08%	3.51%	0.00%	0.00%	0.19%	0.00%	1.11%	0.25%	0.78%	3.31%	0.92%
2012	2.02%	0.32%	0.00%	1.47%	1.42%	1.98%	0.00%	0.57%	0.93%	0.43%	0.26%	0.00%	0.00%	0.00%	0.26%	0.28%	0.70%	0.23%	0.70%	3.22%	0.84%
2013	0.00%	0.23%	0.00%	0.00%	0.28%	0.02%	0.00%	0.00%	0.00%	0.78%	0.65%	0.41%	0.00%	0.00%	1.20%	0.41%	0.00%	0.74%	0.61%	0.00%	0.43%
2014	0.19%	1.19%	0.00%	0.00%	0.21%	0.00%	0.00%	0.00%	0.36%	0.42%	0.21%	0.00%	0.48%	0.00%	1.38%	0.71%	0.16%	0.48%	0.00%	11.44%	0.92%
LTM Jun 15	0.60%	0.00%	0.00%	0.00%	1.57%	0.00%	0.00%	0.00%	0.52%	12.30%	0.00%	0.00%	0.00%	0.00%	1.26%	1.46%	0.57%	1.21%	0.55%	0.00%	1.13%
Average:	2.82%	1.17%	3.02%	1.77%	1.27%	4.63%	1.80%	1.34%	1.68%	2.87%	2.18%	1.45%	2.66%	1.79%	2.76%	2.97%	3.14%	2.17%	2.25%	2.43%	2.44%

Source: Credit Suisse

Exhibit 27: Recovery Rates Over Time by Industry: 1986 – LTM June 2015

	Aerospace	Chemicals	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
1986	29.44%				37.96%			76.19%		15.79%				52.22%		40.06%	12.00%				40.05%
1987				37.22%	66.50%	29.80%					28.70%		84.63%		25.74%			10.50%	44.31%	60.54%	53.71%
1988	28.12%	36.25%		17.50%	44.95%	23.19%	41.67%	66.00%		84.25%	32.75%	20.69%			32.80%	47.30%	52.86%	25.63%	36.89%		35.93%
1989	93.48%			36.49%		28.95%	40.08%			70.98%	6.75%	30.21%		16.50%	51.99%		33.13%		18.00%		38.55%
1990	29.87%	58.08%	25.94%	43.57%		26.76%	30.73%	14.57%	55.50%	23.45%	30.05%	12.91%	22.23%	33.42%	56.55%	37.92%	31.41%	29.46%	39.09%		31.08%
1991	27.97%		16.96%	26.14%	78.32%	24.54%	29.17%	41.79%	35.47%	42.09%	24.89%	54.59%	47.87%	50.80%	28.96%	46.84%	37.56%	25.22%	38.89%	55.42%	41.49%
1992				40.75%	64.83%	54.00%	43.71%	82.97%		52.44%	44.04%	34.85%	36.40%	53.98%	52.22%	41.04%	29.97%	48.50%		63.14%	48.47%
1993					105.00%	36.72%	40.69%	45.25%	23.00%	41.00%	34.00%		33.72%	55.90%	42.71%	28.85%	10.00%	41.08%			44.51%
1994	48.38%				17.75%		28.28%		56.09%	52.44%			38.90%	51.91%	50.31%		56.28%	40.00%			44.90%
1995		69.00%		35.50%	70.62%	55.23%	39.35%	65.05%		40.94%	36.00%	39.90%	66.59%		29.70%		29.30%		17.00%		42.44%
1996				20.67%	35.00%		45.00%	47.75%	27.50%	62.92%				39.72%	45.96%		31.76%	70.00%	69.83%	57.47%	46.64%
1997				45.00%		43.78%	90.63%	65.00%						46.33%	8.66%		48.88%		34.17%	0.00%	53.71%
1998		50.00%		40.27%	35.00%	34.21%	36.63%	77.66%	30.00%	72.50%	55.00%				31.08%	20.25%			22.84%		37.69%
1999		32.19%	23.50%	24.71%	41.24%	19.35%	34.03%	33.17%	53.50%	28.57%	12.70%	10.00%	16.74%	41.60%	34.69%	25.92%	29.05%	48.55%	27.96%	24.00%	31.27%
2000	50.00%	22.55%	30.00%	18.93%	63.29%	27.70%	39.11%	36.18%	30.75%	34.14%	17.10%	27.06%	18.40%	11.90%	28.52%	16.93%	14.81%	27.51%	25.27%	51.87%	26.47%
2001	32.14%	27.87%	24.50%	19.93%		79.41%	33.50%	29.14%	18.33%	19.16%	28.29%	49.56%	62.28%	16.78%	15.06%	15.71%	17.00%	8.29%	14.03%	46.64%	27.99%
2002	39.37%	24.72%		11.62%	57.74%	17.48%	49.54%	41.92%	69.46%	60.00%	44.50%	35.49%	21.11%	22.87%	25.19%	33.97%	50.29%	10.61%	37.27%	37.27%	29.96%
2003	20.35%	36.24%		26.93%	58.63%	21.44%	18.05%	47.30%	41.38%	58.71%	46.07%	46.49%	36.27%	32.66%	39.71%	40.83%	35.20%	41.28%	40.60%	77.21%	44.30%
2004	45.50%	25.00%		38.07%	50.41%			30.79%	58.88%	94.11%				64.76%	58.03%	67.79%			56.48%		52.94%
2005	20.92%		39.81%	90.25%		85.08%	57.00%		58.49%		51.37%			54.52%	81.41%	75.91%	19.50%		50.36%	47.75%	50.54%
2006			19.25%	47.83%		32.20%		12.00%	53.52%	102.98%		91.14%		79.00%	83.76%			20.36%	64.02%		66.20%
2007			17.54%	83.32%		29.79%	85.20%	74.00%	54.22%	89.13%	30.50%				64.50%		27.33%		58.05%		59.64%
2008				35.63%	52.58%	47.34%		31.66%	35.16%	32.82%		23.65%		10.00%	25.86%		11.00%	10.00%	8.60%		34.83%
2009		22.87%	13.67%	22.04%	41.60%	50.73%		6.06%	20.25%	22.33%		43.69%	28.54%	49.21%	22.97%	11.85%	27.16%		18.61%	65.47%	27.36%
2010					88.43%	38.83%	81.63%		87.66%		41.75%	32.75%		51.00%	59.42%	58.50%	47.15%	74.04%		62.66%	58.37%
2011	44.11%				78.80%	30.36%		41.96%	35.23%	61.42%	59.97%	54.93%			58.31%		23.25%	47.50%	36.42%	61.47%	54.07%
2012	27.74%	52.23%		69.30%	31.32%	61.94%		54.50%	52.98%	78.16%	35.34%				45.42%	36.77%	22.16%	42.21%	33.71%	75.18%	55.41%
2013		53.00%			65.34%	93.17%				36.50%	53.83%	16.56%	107.25%		55.75%	27.00%		73.64%	55.50%		58.37%
2014	74.00%	85.93%			46.74%				65.08%	43.13%	15.20%		70.87%		37.05%	46.33%	48.82%	69.56%		67.32%	61.16%
LTM Jun 15	50.69%	105.00%			36.50%				67.92%	46.20%					37.05%	55.21%	15.75%	70.01%	41.36%		49.46%
Average:	41.38%	46.73%	23.46%	37.80%	55.15%	41.33%	45.47%	46.40%	46.83%	52.54%	34.70%	36.73%	46.12%	41.75%	42.39%	38.75%	30.46%	39.71%	37.05%	53.34%	44.92%

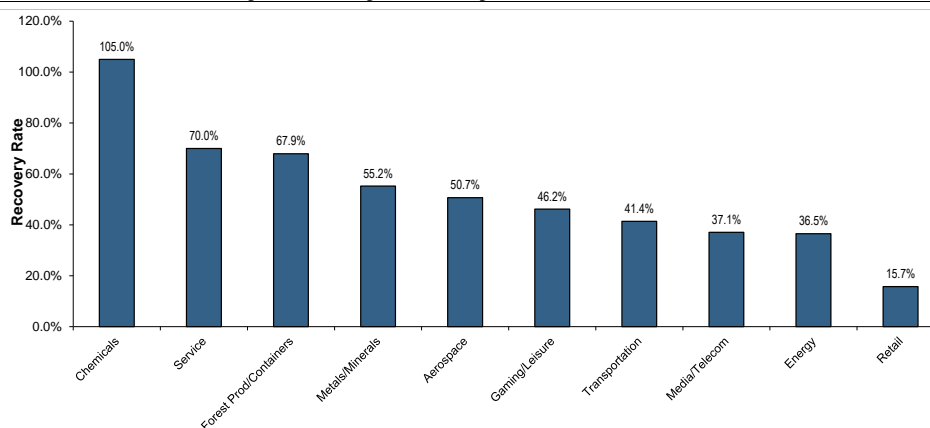
Source: Credit Suisse

Exhibit 28: LTM June 2015 Defaults by Industry Summary

Number of Defaulted Issues	Industry	Average Years to Default	Average Coupon Payment	Recovery Rate	Average Loss of Principal	Defaulted Amount (\$ millions)	Default Rate	Default Loss of Principal	Default Loss of Coupon	Overall Default Loss Rate
2	Aerospace	6.6	9.50%	50.69%	49.31%	461	1.11%	0.55%	0.05%	0.60%
1	Chemicals	2.6	9.00%	105.00%	-5.00%	255	0.59%	-0.03%	0.03%	0.00%
0	Consumer Durables					0	0.00%	0.00%	0.00%	0.00%
0	Consumer Non-Durables					0	0.00%	0.00%	0.00%	0.00%
21	Energy	3.6	9.82%	36.50%	63.50%	5,729	2.30%	1.46%	0.11%	1.57%
0	Financial					0	0.00%	0.00%	0.00%	0.00%
0	Food And Drug					0	0.00%	0.00%	0.00%	0.00%
0	Food/Tobacco					0	0.00%	0.00%	0.00%	0.00%
4	Forest Prod/Containers	8.6	8.34%	67.92%	32.08%	624	1.43%	0.46%	0.06%	0.52%
11	Gaming/Leisure	5.9	9.32%	46.20%	53.80%	12,469	21.04%	11.32%	0.98%	12.30%
0	Healthcare					0	0.00%	0.00%	0.00%	0.00%
0	Housing					0	0.00%	0.00%	0.00%	0.00%
0	Information Technology					0	0.00%	0.00%	0.00%	0.00%
0	Manufacturing					0	0.00%	0.00%	0.00%	0.00%
5	Media/Telecom	3.3	9.15%	37.05%	62.95%	4,350	1.87%	1.18%	0.09%	1.26%
9	Metals/Minerals	4.2	7.76%	55.21%	44.79%	2,544	3.00%	1.35%	0.12%	1.46%
1	Retail	3.8	6.75%	15.75%	84.25%	325	0.65%	0.55%	0.02%	0.57%
11	Service	2.5	10.00%	70.01%	29.99%	2,863	3.47%	1.04%	0.17%	1.21%
2	Transportation	1.0	9.63%	41.36%	58.64%	523	0.87%	0.51%	0.04%	0.55%
0	Utility					0	0.00%	0.00%	0.00%	0.00%
67	Overall	2.0	9.26%	49.46%	50.54%	30,142	2.06%	1.04%	0.10%	1.13%

Source: Credit Suisse

Exhibit 29: Recovery Rates by Industry: June 2015



Source: Credit Suisse

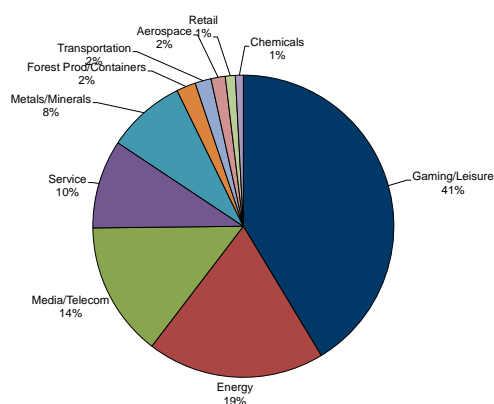
Exhibit 30: Principal Loss Rates and Recovery Rates by Industry: 1986 – 2015

Industry	Default Rate	Average Principal Loss Rate	Average Recovery Rate	Average Default Loss Rate
Aerospace	4.10%	58.62%	41.38%	2.82%
Chemical	1.77%	53.27%	46.73%	1.17%
Consumer Durables	3.72%	76.54%	23.46%	3.02%
Consumer Non-Durables	2.36%	62.20%	37.80%	1.77%
Energy	3.03%	44.80%	55.20%	1.26%
Financial	7.14%	58.67%	41.33%	4.63%
Food and Drug	2.66%	54.53%	45.47%	1.80%
Food/Tobacco	2.15%	53.60%	46.40%	1.34%
Forest Prod/Containers	2.37%	53.17%	46.83%	1.68%
Gaming/Leisure	4.52%	47.46%	52.54%	2.87%
Healthcare	2.86%	65.30%	34.70%	2.18%
Housing	2.11%	63.27%	36.73%	1.45%
Information Technology	3.99%	53.88%	46.12%	2.66%
Manufacturing	2.86%	58.25%	41.75%	1.79%
Media/Telecom	3.81%	57.61%	42.39%	2.76%
Metals/Minerals	4.28%	61.25%	38.75%	2.97%
Retail	4.44%	69.54%	30.46%	3.14%
Service	3.39%	60.29%	39.71%	2.17%
Transportation	2.99%	62.95%	37.05%	2.25%
Utility	5.21%	46.66%	53.34%	2.43%
Unweighted Average	3.49%	58.09%	41.91%	2.31%

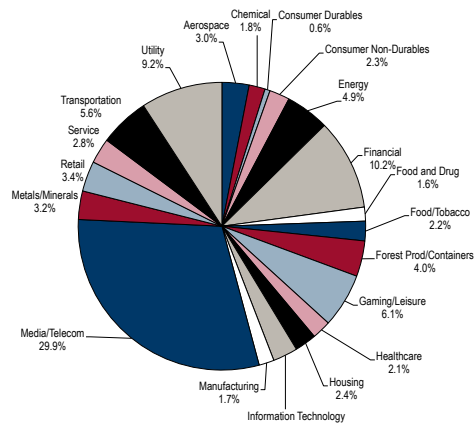
Source: Credit Suisse

Exhibit 31: Defaulted Debt by Industry, Weighted by Par Amount

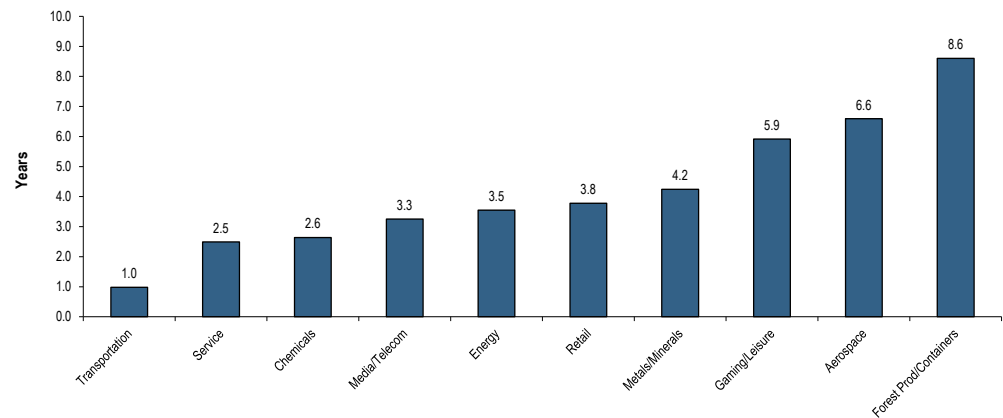
LTM June 2015



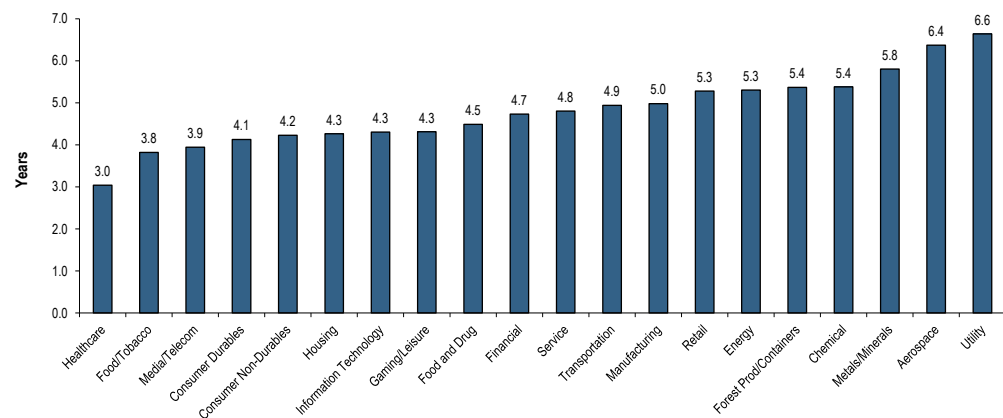
1980 – June 2015



Source: Credit Suisse

Exhibit 32: Average Years to Default by Industry: LTM June 2015

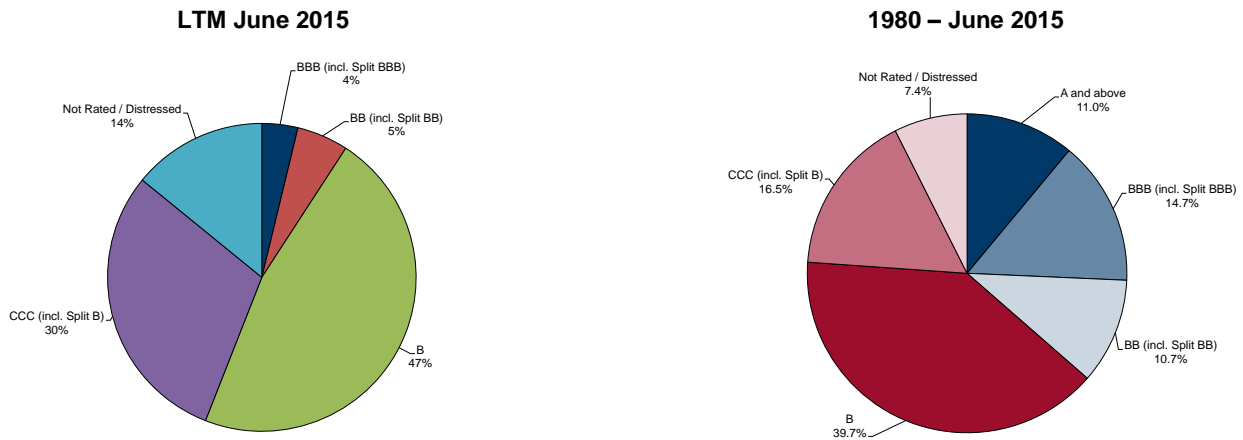
Source: Credit Suisse

Exhibit 33: Average Years to Default by Industry: 1980 – LTM June 2015

Source: Credit Suisse

Ratings

Exhibit 34: Defaulted Debt by Original Issue Rating, Weighted by Par Amount



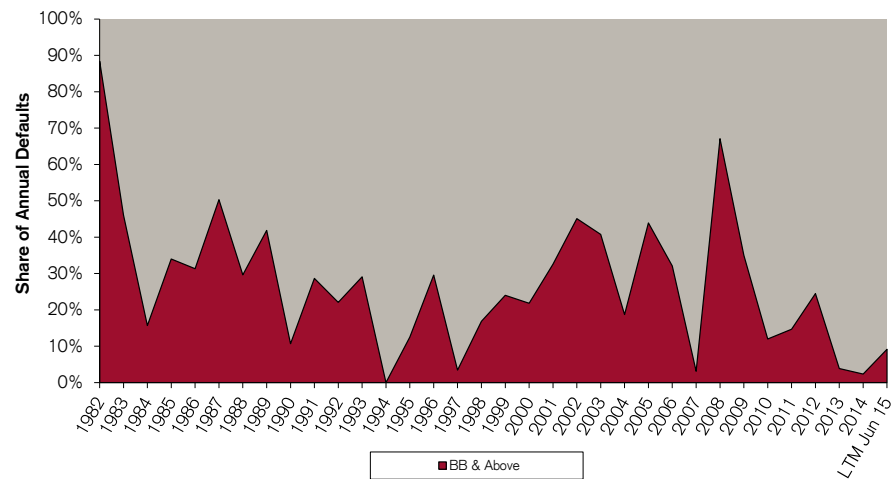
Source: Credit Suisse

Exhibit 35: LTM June 2015 Defaults by Original-Issue Rating Summary

Number of Defaulted Issues	Rating	Average Years to Default	Average Coupon Payment	Recovery Rate	Average Loss of Principal	Defaulted Amount (\$ millions)	Default Rate	Default Loss of Principal	Default Loss of Coupon	Overall Default Loss Rate
8	BBB (incl. Split BBB)	7.4	5.92%	49.65%	50.35%	1,138	0.03%	0.02%	0.00%	0.02%
3	BB (incl. Split BB)	4.5	8.54%	20.84%	79.16%	1,625	0.30%	0.24%	0.01%	0.25%
26	B	4.2	9.19%	50.52%	49.48%	14,114	2.96%	1.46%	0.14%	1.60%
27	CCC (incl. Split B)	3.2	10.60%	48.66%	51.34%	9,031	3.23%	1.66%	0.17%	1.83%
4	Not Rated / Distressed	3.1	7.88%	69.10%	30.90%	4,255	15.84%	4.89%	0.62%	5.52%
68	Overall	4.1	9.26%	49.46%	50.54%	30,163	2.06%	1.04%	0.10%	1.13%

Source: Credit Suisse

Exhibit 36: Share of Annual Defaults (Par Value): BB & Above vs. B & Below Securities

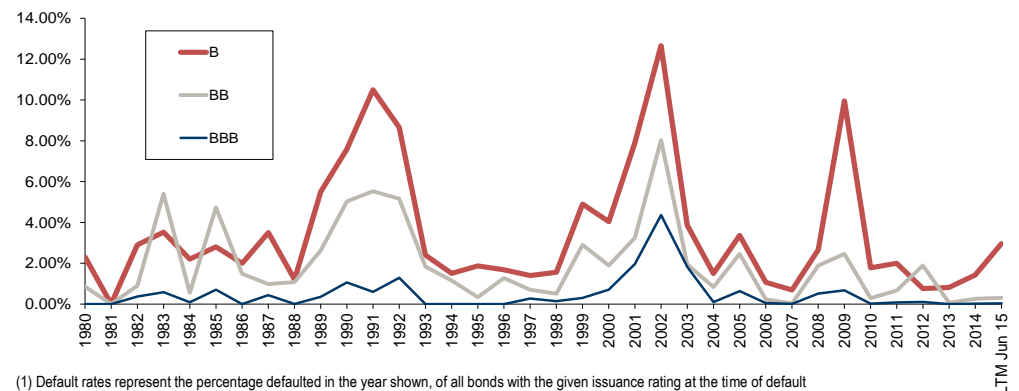


Source: Credit Suisse

Exhibit 37: Default and Default Loss Rates by Original-Issue Rating

Default Rates by Rating						Default Loss Rates by Rating						
Year	BBB	BB	B	CCC	Not Rated	Year	BBB	BB	B	CCC	Not Rated	B vs. BB
1980	0.00%	0.85%	2.30%	0.00%	0.00%	1980	0.00%	0.66%	1.97%	0.00%	0.00%	1.31%
1981	0.00%	0.00%	0.00%	0.00%	2.01%	1981	0.00%	0.00%	0.00%	0.00%	2.26%	0.00%
1982	0.37%	0.90%	2.90%	0.00%	0.00%	1982	0.20%	0.55%	1.95%	0.00%	0.00%	1.40%
1983	0.58%	5.40%	3.52%	0.00%	0.00%	1983	0.25%	2.61%	1.87%	0.00%	0.00%	-0.74%
1984	0.08%	0.55%	2.20%	0.00%	0.00%	1984	0.03%	0.24%	1.04%	0.00%	0.00%	0.80%
1985	0.70%	4.73%	2.80%	1.76%	2.92%	1985	0.36%	2.72%	1.76%	1.31%	2.16%	-0.95%
1986	0.00%	1.48%	2.00%	32.61%	1.40%	1986	0.00%	0.89%	1.32%	25.41%	1.09%	0.43%
1987	0.43%	0.98%	3.50%	28.02%	0.17%	1987	0.19%	0.47%	1.84%	17.33%	0.11%	1.37%
1988	0.00%	1.08%	1.20%	26.78%	7.30%	1988	0.00%	0.67%	0.82%	21.73%	5.93%	0.15%
1989	0.36%	2.63%	5.50%	4.77%	0.57%	1989	0.19%	1.60%	3.68%	3.78%	0.45%	2.08%
1990	1.06%	5.03%	7.60%	53.40%	3.31%	1990	0.65%	3.41%	5.67%	47.12%	2.92%	2.26%
1991	0.60%	5.53%	10.50%	67.26%	15.51%	1991	0.31%	3.20%	6.69%	50.67%	11.69%	3.49%
1992	1.28%	5.16%	8.65%	59.35%	6.01%	1992	0.61%	2.73%	5.02%	40.52%	4.10%	2.29%
1993	0.00%	1.84%	2.40%	0.87%	1.24%	1993	0.00%	1.04%	1.49%	0.64%	0.91%	0.45%
1994	0.00%	1.16%	1.50%	0.84%	0.88%	1994	0.00%	0.65%	0.92%	0.61%	0.64%	0.28%
1995	0.00%	0.34%	1.87%	2.91%	3.70%	1995	0.00%	0.20%	1.20%	2.21%	2.81%	1.01%
1996	0.00%	1.28%	1.68%	1.49%	29.73%	1996	0.00%	0.67%	0.97%	1.02%	20.36%	0.30%
1997	0.27%	0.70%	1.40%	2.48%	1.04%	1997	0.11%	0.33%	0.72%	1.51%	0.63%	0.39%
1998	0.14%	0.51%	1.56%	2.84%	1.54%	1998	0.10%	0.36%	1.03%	1.75%	1.14%	0.66%
1999	0.30%	2.90%	4.90%	3.36%	3.89%	1999	0.21%	1.82%	3.71%	2.73%	3.28%	1.88%
2000	0.70%	1.89%	4.04%	5.01%	15.83%	2000	0.55%	1.48%	3.16%	3.62%	12.74%	1.68%
2001	1.96%	3.24%	7.89%	16.83%	19.12%	2001	1.04%	2.67%	6.74%	14.81%	16.34%	4.07%
2002	4.36%	8.03%	12.66%	11.06%	24.25%	2002	3.23%	6.09%	9.40%	8.64%	19.77%	3.31%
2003	1.82%	1.94%	3.87%	8.99%	6.82%	2003	0.76%	1.08%	2.80%	5.85%	4.52%	1.72%
2004	0.10%	0.83%	1.50%	1.90%	2.15%	2004	0.07%	0.46%	0.71%	1.10%	1.27%	0.25%
2005	0.64%	2.45%	3.36%	0.90%	0.54%	2005	0.34%	1.68%	1.44%	0.53%	0.46%	-0.24%
2006	0.05%	0.23%	1.07%	0.52%	0.11%	2006	0.02%	0.06%	0.43%	0.25%	0.05%	0.36%
2007	0.00%	0.03%	0.69%	0.24%	12.78%	2007	0.00%	0.02%	0.27%	0.13%	5.30%	0.25%
2008	0.51%	1.89%	2.66%	3.05%	12.93%	2008	0.35%	1.02%	2.14%	1.93%	11.27%	1.12%
2009	0.67%	2.46%	9.95%	13.29%	8.68%	2009	0.55%	1.76%	8.20%	10.26%	6.44%	6.44%
2010	0.02%	0.29%	1.78%	2.61%	6.84%	2010	0.00%	0.09%	0.66%	1.85%	2.73%	0.57%
2011	0.08%	0.66%	1.99%	3.83%	2.05%	2011	0.05%	0.37%	0.87%	1.70%	0.77%	0.50%
2012	0.10%	1.89%	0.76%	3.11%	0.86%	2012	0.04%	0.98%	0.43%	1.47%	0.65%	-0.55%
2013	0.00%	0.06%	0.81%	2.52%	5.19%	2013	0.00%	0.05%	0.35%	1.09%	3.25%	0.29%
2014	0.02%	0.26%	1.43%	5.91%	7.81%	2014	0.01%	0.21%	0.71%	2.60%	1.24%	0.50%
LTM Jun 15	0.03%	0.30%	2.96%	3.23%	15.84%	LTM Jun 15	0.02%	0.25%	1.60%	1.83%	5.52%	1.35%
Average	0.48%	1.93%	3.48%	10.33%	6.20%	Average	0.29%	1.20%	2.32%	7.67%	4.24%	1.12%

Source: Credit Suisse

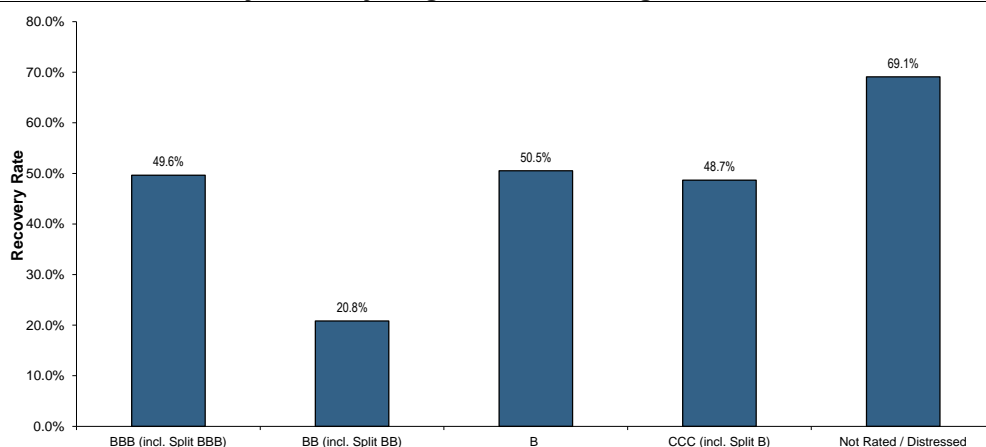
Exhibit 38: Default Rates by Original-Issue Rating: 1980 – June 2015

Source: Credit Suisse

Exhibit 39: Recovery Rates by Original-Issue Rating: 1998 – LTM June 2015

Recovery Rates by Original Issue Rating						
Year	BBB	BB	B	CCC	Not Rated	B vs. BB
1998	33.50%	34.50%	39.75%	39.39%	30.99%	5.25%
1999	33.24%	41.58%	29.65%	24.84%	20.25%	-11.93%
2000	24.60%	26.42%	26.91%	31.84%	22.94%	0.49%
2001	50.43%	22.69%	19.79%	15.92%	19.56%	-2.89%
2002	30.00%	28.72%	30.54%	26.17%	22.47%	1.82%
2003	62.29%	49.57%	32.43%	38.40%	38.56%	-17.14%
2004	27.00%	49.39%	57.00%	48.45%	45.05%	7.62%
2005	50.07%	35.76%	62.16%	46.96%	18.25%	26.41%
2006	58.91%	77.29%	64.99%	56.96%	65.50%	-12.31%
2007	33.24%	38.19%	66.46%	46.73%	63.50%	28.27%
2008	35.44%	49.80%	24.43%	41.64%	17.88%	-25.37%
2009	21.49%	32.23%	22.38%	27.92%	30.87%	-9.85%
2010	102.54%	73.08%	67.56%	34.97%	65.79%	-5.52%
2011	45.60%	48.10%	61.01%	61.14%	66.44%	12.91%
2012	69.18%	52.49%	48.81%	58.05%	30.34%	-3.68%
2013		16.56%	62.86%	62.08%	43.32%	46.31%
2014	55.71%	23.38%	55.31%	61.33%	89.94%	31.93%
LTM Jun 15	49.65%	20.84%	50.52%	48.66%	69.10%	29.69%
Average	46.05%	40.03%	45.70%	42.86%	42.26%	5.67%

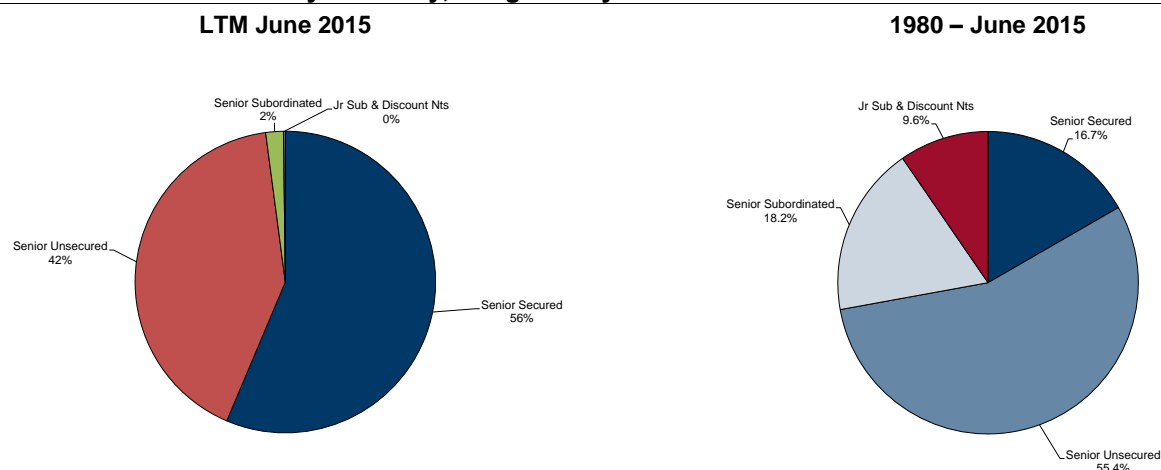
Source: Credit Suisse

Exhibit 40: Recovery Rates by Original-Issue Rating: LTM June 2015

Source: Credit Suisse

Seniority

Exhibit 41: Defaulted Debt by Seniority, Weighted by Par Amount



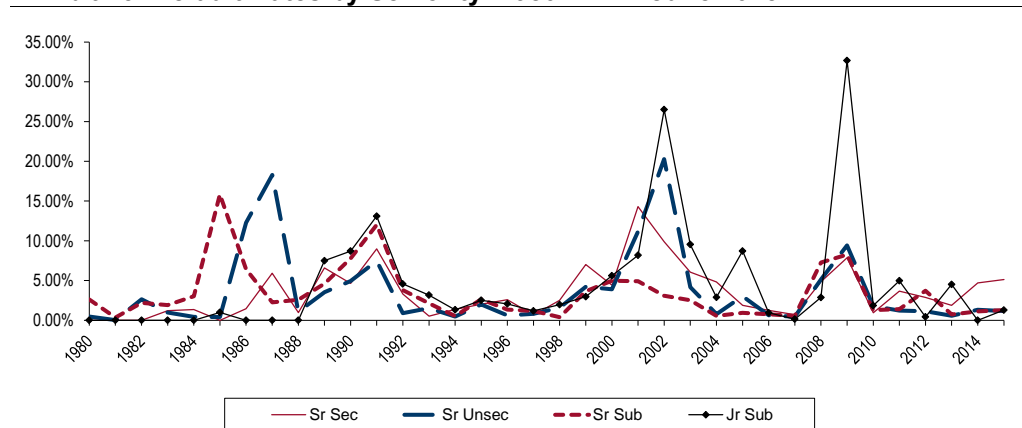
Source: Credit Suisse

Exhibit 42: LTM June 2015 Defaults by Seniority Summary

Number of Defaulted Issues	Seniority	Average Years to Default	Average Coupon Payment	Recovery Rate	Average Loss of Principal	Defaulted Amount (\$ millions)	Default Rate	Default Loss of Principal	Default Loss of Coupon	Overall Default Loss Rate
23	Senior Secured	3.1	10.67%	49.58%	50.42%	17,006	5.12%	2.58%	0.27%	2.85%
41	Senior Unsecured	4.6	8.27%	49.38%	50.62%	12,523	1.15%	0.58%	0.05%	0.63%
3	Senior Subordinate	7.2	10.08%	53.68%	46.32%	573	1.28%	0.59%	0.06%	0.66%
1	Junior Subordinate	0.6	15.00%	37.33%	62.67%	61	1.29%	0.81%	0.10%	0.90%
68	Overall	4.1	9.26%	49.46%	50.54%	30,163	2.06%	1.04%	0.10%	1.13%

Source: Credit Suisse

Exhibit 43: Default Rates by Seniority: 1980 – LTM June 2015



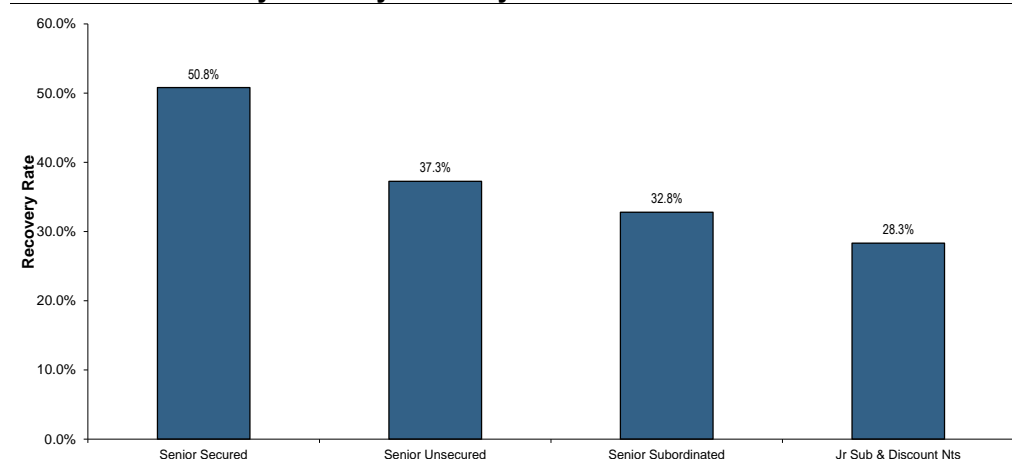
Source: Credit Suisse

Exhibit 44: Default and Default Loss Rates by Seniority: 1980 – LTM June 2015

Default Rates by Seniority					Default Loss Rates by Seniority				
Year	Sr Sec	Sr Unsec	Sr Sub	Jr Sub ⁽¹⁾	Year	Sr Sec	Sr Unsec	Sr Sub	Jr Sub ⁽¹⁾
1980	0.00%	0.47%	2.62%	0.00%	1980	0.00%	0.38%	0.00%	0.00%
1981	0.00%	0.04%	0.34%	0.00%	1981	0.00%	0.03%	0.00%	0.00%
1982	0.00%	2.64%	2.19%	0.00%	1982	0.00%	1.69%	0.00%	0.00%
1983	1.21%	0.97%	1.92%	0.00%	1983	0.42%	0.34%	0.00%	0.00%
1984	1.36%	0.43%	3.02%	0.00%	1984	0.43%	0.23%	1.20%	0.00%
1985	0.00%	0.41%	15.84%	1.00%	1985	0.00%	0.25%	10.71%	0.61%
1986	1.45%	12.29%	6.42%	0.00%	1986	0.89%	7.51%	4.43%	0.00%
1987	5.91%	18.28%	2.26%	0.00%	1987	2.63%	7.72%	1.22%	0.00%
1988	0.98%	1.08%	2.58%	0.00%	1988	0.23%	0.78%	1.75%	0.00%
1989	6.58%	3.53%	4.61%	7.50%	1989	2.10%	2.37%	3.59%	5.14%
1990	4.65%	4.94%	7.78%	8.71%	1990	3.44%	3.59%	5.82%	7.02%
1991	8.98%	7.46%	12.02%	13.10%	1991	5.56%	3.95%	8.52%	9.84%
1992	3.31%	0.89%	3.80%	4.58%	1992	1.47%	0.58%	2.25%	3.11%
1993	0.52%	1.52%	2.14%	3.16%	1993	0.36%	0.87%	1.50%	1.95%
1994	1.38%	0.47%	0.54%	1.32%	1994	0.79%	0.23%	0.38%	0.92%
1995	2.03%	2.00%	2.65%	2.52%	1995	1.23%	1.25%	1.67%	0.00%
1996	2.58%	0.61%	1.35%	2.07%	1996	1.32%	0.34%	0.95%	0.97%
1997	0.67%	0.81%	1.18%	1.19%	1997	0.24%	0.34%	0.78%	0.52%
1998	2.51%	1.60%	0.40%	1.97%	1998	1.27%	1.09%	0.32%	1.43%
1999	7.02%	4.22%	3.66%	2.97%	1999	5.36%	2.87%	2.98%	2.34%
2000	4.42%	3.90%	4.99%	5.61%	2000	2.62%	3.11%	3.93%	4.79%
2001	14.30%	11.19%	4.92%	8.18%	2001	7.48%	8.61%	4.13%	6.80%
2002	9.88%	20.28%	3.08%	26.50%	2002	5.39%	15.35%	2.45%	20.41%
2003	6.07%	4.17%	2.51%	9.54%	2003	2.23%	2.49%	1.96%	6.08%
2004	4.82%	0.78%	0.56%	2.89%	2004	2.19%	0.44%	0.35%	1.17%
2005	1.89%	3.02%	0.93%	8.71%	2005	0.79%	1.79%	0.53%	1.97%
2006	1.26%	0.63%	0.75%	0.94%	2006	0.09%	0.23%	0.48%	0.25%
2007	0.71%	0.46%	0.55%	0.15%	2007	0.23%	0.21%	0.30%	0.03%
2008	4.85%	5.13%	7.28%	2.87%	2008	2.42%	3.23%	6.24%	2.78%
2009	7.86%	9.43%	8.27%	32.67%	2009	6.26%	6.88%	6.93%	30.24%
2010	0.94%	1.78%	1.28%	1.86%	2010	0.30%	0.79%	0.68%	1.97%
2011	3.67%	1.22%	1.40%	4.97%	2011	1.39%	0.66%	0.89%	4.73%
2012	2.88%	1.13%	3.72%	0.43%	2012	0.99%	0.75%	1.52%	0.32%
2013	1.89%	0.57%	0.75%	4.51%	2013	0.89%	0.24%	0.37%	3.80%
2014	4.71%	1.33%	1.13%	0.00%	2014	1.30%	0.74%	0.48%	0.00%
LTM Jun 15	5.12%	1.15%	1.28%	1.29%	LTM Jun 15	2.85%	0.63%	0.66%	0.90%
Average	3.51%	3.64%	3.35%	4.48%	Average	1.81%	2.29%	2.22%	3.34%

⁽¹⁾ Includes Jr Sub, Zeros and Discount Nts

Source: Credit Suisse

Exhibit 45: Recovery Rates by Seniority: 1980 – June 2015

Source: Credit Suisse

Exhibit 46: Recovery Rates by Seniority: 1980 – LTM June 2015

Recovery Rates by Seniority					
Year	Sr Sec	Sr Unsec	Sr Sub	Jr Sub ⁽¹⁾	Overall
1980		24.93%		11.20%	19.44%
1981		12.00%			12.00%
1982		40.41%		32.75%	37.34%
1983	71.00%	71.17%		35.93%	51.57%
1984	73.07%	52.09%	66.75%	46.85%	56.28%
1985		44.15%	39.23%	45.10%	43.81%
1986	43.33%	44.26%	37.71%	38.10%	40.05%
1987	59.42%	63.24%	52.80%	31.81%	53.71%
1988	84.25%	33.33%	37.98%	34.25%	35.93%
1989	75.20%	38.52%	28.60%	37.74%	38.55%
1990	32.11%	32.95%	31.77%	25.69%	31.08%
1991	45.13%	52.13%	35.73%	31.09%	41.49%
1992	60.52%	40.52%	47.77%	38.00%	48.47%
1993	35.25%	48.81%	36.23%	44.42%	44.51%
1994	47.82%	56.90%	35.61%	37.51%	44.90%
1995	45.31%	42.75%	42.94%		42.44%
1996	54.80%	49.08%	33.97%	58.72%	46.64%
1997	70.00%	63.75%	39.87%	62.17%	53.71%
1998	55.27%	37.43%	25.43%	27.14%	37.69%
1999	29.46%	37.35%	23.92%	21.26%	31.27%
2000	46.43%	24.84%	26.33%	16.46%	26.47%
2001	52.61%	28.02%	21.15%	18.02%	27.99%
2002	50.60%	29.15%	25.84%	24.26%	29.96%
2003	68.45%	45.26%	27.42%	36.27%	44.30%
2004	59.00%	49.02%	44.00%	59.38%	52.94%
2005	63.67%	45.18%	48.56%	79.53%	50.54%
2006	98.85%	67.46%	41.55%	78.38%	66.20%
2007	72.91%	58.75%	49.24%	80.64%	59.64%
2008	55.40%	40.92%	18.85%	3.16%	34.83%
2009	25.46%	31.22%	20.63%	12.77%	27.36%
2010	74.04%	60.58%	51.26%	1.50%	58.37%
2011	67.10%	50.71%	41.80%	7.50%	54.07%
2012	70.87%	38.00%	63.35%	30.00%	55.41%
2013	58.45%	63.13%	53.47%	22.25%	58.37%
2014	77.80%	49.25%	62.82%		61.16%
LTM Jun 15	49.58%	49.38%	53.68%	37.33%	49.46%
Average	58.54%	44.91%	39.57%	35.37%	43.55%

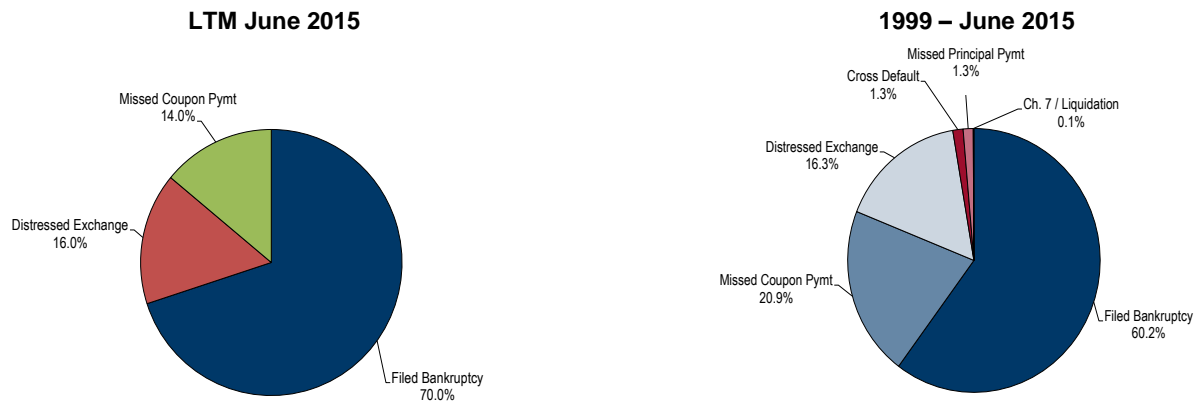
⁽¹⁾ Includes Jr Sub, Zeros and Discount Nts

Source: Credit Suisse

Reason for Default

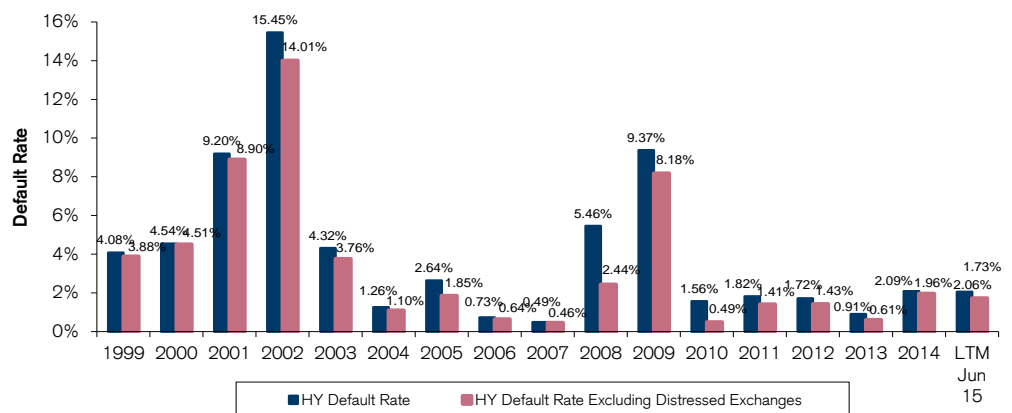
The majority of LTM defaults were bankruptcy filings (70%) and missed coupons (14%). The remainder were distressed exchanges (16%), the same as the long-term average since 1999. There were 11 issuers with 26 issues that performed a distressed exchange in the past 12 months. Of these, six issuers with eight issues did a distressed exchange in the second quarter.

Exhibit 47: Defaulted Debt by Reason for Default, Weighted by Par Amount

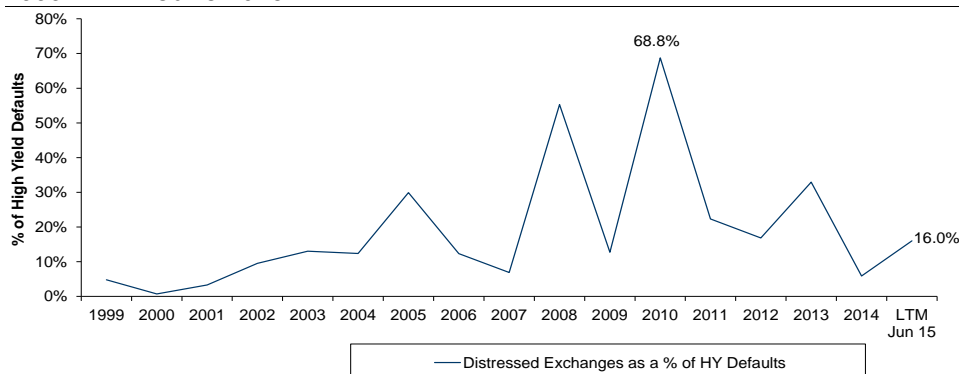


Source: Credit Suisse

Exhibit 48: High Yield Default Rates with and without Distressed Exchanges: 1999 – LTM June 2015



Source: Credit Suisse

Exhibit 49: Distressed Exchanges as a Percentage of All High Yield Defaults: 1999 – LTM June 2015


Source: Credit Suisse

Exhibit 50: LTM June 2015 Defaults by Reason for Default Summary

Number of Defaulted Issues	Reason	Average Years to Default	Average Coupon Payment	Recovery Rate	Average Loss of Principal	Defaulted Amount (\$ millions)
28	Filed Bankruptcy	4.0	9.74%	42.36%	57.64%	21,110
14	Missed Coupon Pymt	4.2	10.21%	38.44%	61.56%	4,217
0	Missed Principal Pymt					0
26	Distressed Exchange	4.2	8.23%	63.04%	36.96%	4,836
0	Cross Default					0
0	Ch. 7 / Liquidation					0

Source: Credit Suisse

Exhibit 51: Recovery Rates by Reason for Default: 1999 – LTM June 2015

Year	Recovery Rates by Reason for Default					
	Filed Bankruptcy	Missed cpn pymt	Missed prin pymt	Distressed Exchange	Cross Default	Ch. 7 / Liquidation
1999	33.35%	28.03%		35.56%		
2000	20.91%	31.36%	7.25%	65.26%		45.00%
2001	31.43%	20.83%	56.59%	29.64%	69.33%	
2002	30.06%	24.01%	30.90%	54.31%	21.78%	
2003	47.22%	32.25%	83.53%	58.33%	42.80%	50.00%
2004	51.20%	49.57%		76.22%		
2005	40.94%	56.73%	55.46%	81.41%		
2006	64.68%	30.79%		82.85%		12.00%
2007	44.13%	67.24%		80.71%		
2008	26.87%	30.11%		46.39%		
2009	25.25%	16.95%	31.48%	45.10%	17.15%	
2010	40.17%	49.96%		86.94%		
2011	52.05%	50.46%	62.85%	59.93%		
2012	53.50%	46.92%	73.28%	65.54%		
2013	44.20%	55.49%		85.99%	90.91%	
2014	63.45%	46.03%		69.00%		
LTM Jun 15	10.37%	11.21%		25.51%		
Average	39.99%	38.11%	50.17%	61.69%	48.39%	35.67%

Source: Credit Suisse

Exhibit 52: Default Percentage by Reason for Default: 1999 – LTM June 2015

Year	% of Defaults by Reason for Default					
	Filed Bankruptcy	Missed cpn pymt	Missed prin pymt	Distressed Exchange	Cross Default	Ch. 7 / Liquidation
1999	56.79%	38.41%	0.00%	4.80%	0.00%	0.00%
2000	57.26%	40.10%	1.58%	0.70%	0.00%	0.36%
2001	66.64%	27.27%	2.51%	3.31%	0.26%	0.00%
2002	63.41%	25.40%	0.58%	9.50%	1.10%	0.00%
2003	47.40%	28.24%	3.66%	13.03%	7.02%	0.64%
2004	53.53%	34.08%	0.00%	12.39%	0.00%	0.00%
2005	60.64%	5.14%	4.30%	29.91%	0.00%	0.00%
2006	79.56%	5.79%	0.00%	12.31%	0.00%	2.33%
2007	57.41%	35.71%	0.00%	6.88%	0.00%	0.00%
2008	37.69%	6.90%	0.12%	55.29%	0.00%	0.00%
2009	64.67%	17.13%	2.01%	12.73%	3.47%	0.00%
2010	17.89%	13.35%	0.00%	68.76%	0.00%	0.00%
2011	57.36%	19.28%	1.02%	22.34%	0.00%	0.00%
2012	68.60%	13.83%	0.72%	16.84%	0.00%	0.00%
2013	45.62%	19.29%	0.00%	32.92%	2.17%	0.00%
2014	86.07%	8.05%	0.00%	5.89%	0.00%	0.00%
LTM Jun 15	69.99%	13.98%	0.00%	16.03%	0.00%	0.00%
Average	58.27%	20.70%	0.97%	19.04%	0.82%	0.20%

Source: Credit Suisse

Security Type

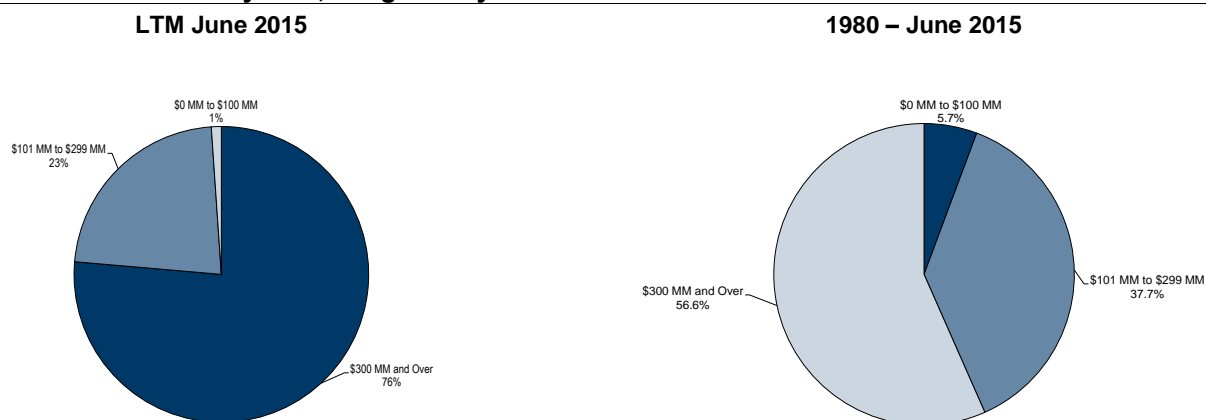
Exhibit 53: Cash Versus Deferred Default Rates: 1980 – LTM June 2015

Year	Cash	Deferred	Deferred vs. Cash	Year	Cash	Deferred	Deferred vs. Cash
1980	0.80%	0.00%	NA	1997	0.99%	0.43%	-0.57%
1981	0.09%	0.00%	NA	1998	1.25%	2.03%	NA
1982	2.22%	0.00%	NA	1999	4.25%	3.22%	-1.03%
1983	1.08%	0.00%	NA	2000	4.34%	5.49%	1.15%
1984	1.02%	0.00%	NA	2001	9.23%	8.94%	-0.28%
1985	3.42%	5.26%	1.84%	2002	14.16%	32.91%	18.75%
1986	2.91%	0.00%	NA	2003	3.74%	19.10%	15.36%
1987	5.18%	0.97%	-4.21%	2004	1.10%	5.00%	3.90%
1988	1.93%	0.11%	-1.82%	2005	2.54%	5.57%	3.03%
1989	4.94%	0.32%	-4.63%	2006	0.75%	0.09%	-0.66%
1990	10.81%	0.57%	-10.24%	2007	0.50%	0.30%	-0.19%
1991	10.97%	1.80%	-9.17%	2008	5.49%	3.58%	-1.91%
1992	3.76%	0.71%	-3.04%	2009	9.36%	10.21%	0.85%
1993	2.04%	0.23%	-1.81%	2010	1.57%	0.86%	-0.71%
1994	0.98%	0.26%	-0.71%	2011	1.79%	7.86%	6.07%
1995	2.51%	1.49%	-1.02%	2012	1.72%	0.00%	-1.72%
1996	1.37%	1.38%	0.01%	2013	0.90%	3.80%	2.90%
				2014	2.08%	0.00%	-2.08%
				LTM Jun 15	0.48%	0.00%	-0.48%
				Average	3.40%	3.40%	0.26%

Source: Credit Suisse

Issue Size

Exhibit 54: Defaulted Debt by Size, Weighted by Par Amount



Source: Credit Suisse

Exhibit 55: Issue Size Default Summary: LTM June 2015

Number of Defaulted Issues	Size	Average Years to Default	Average Coupon Payment	Recovery Rate	Average Loss of Principal	Defaulted Amount (\$ millions)	Default Rate	Default Loss of Principal	Default Loss of Coupon	Overall Default Loss Rate
6	\$0 MM to \$100 MM	3.9	8.55%	48.30%	51.70%	329	17.36%	8.98%	0.74%	9.72%
34	\$101 MM to \$299 MM	4.4	9.14%	53.46%	46.54%	6,800	5.68%	2.65%	0.26%	2.91%
28	\$300 MM and Over	3.9	9.55%	44.85%	55.15%	23,034	1.71%	0.94%	0.08%	1.03%
68	Overall	4.1	9.26%	49.46%	50.54%	30,163	2.06%	1.04%	0.10%	1.13%

Source: Credit Suisse

Exhibit 56: Default Rates by Size: 1980 – LTM June 2015

Default Rates by Size of Issue			
Year	\$0 MM to \$100 MM	\$101 MM to \$299 MM	\$300 MM and Over
1980	3.88%	1.05%	0.00%
1981	0.75%	0.00%	0.00%
1982	12.91%	2.14%	0.00%
1983	6.90%	0.81%	0.00%
1984	6.80%	0.64%	0.00%
1985	16.61%	2.62%	1.16%
1986	9.46%	3.53%	0.00%
1987	9.63%	6.63%	2.83%
1988	12.25%	1.43%	0.36%
1989	16.46%	6.43%	0.96%
1990	23.21%	10.19%	4.96%
1991	30.05%	12.91%	3.23%
1992	11.04%	2.92%	2.40%
1993	4.40%	2.13%	0.61%
1994	2.24%	0.88%	0.33%
1995	2.75%	2.40%	2.12%
1996	1.27%	2.14%	0.41%
1997	0.98%	1.20%	0.48%
1998	0.51%	1.97%	0.87%
1999	2.48%	6.16%	2.13%
2000	3.31%	6.43%	2.90%
2001	5.42%	11.86%	7.51%
2002	3.31%	12.29%	18.89%
2003	3.62%	5.50%	3.68%
2004	2.79%	2.68%	0.43%
2005	1.59%	2.79%	2.60%
2006	4.65%	1.28%	0.40%
2007	2.74%	1.03%	0.27%
2008	12.51%	4.94%	5.53%
2009	34.81%	8.95%	9.28%
2010	5.90%	1.57%	1.53%
2011	16.65%	3.39%	1.43%
2012	8.60%	4.00%	1.33%
2013	5.84%	3.47%	0.57%
2014	13.80%	3.07%	1.97%
LTM Jun 15	17.36%	5.68%	1.71%
Average	8.82%	4.09%	2.30%

Source: Credit Suisse

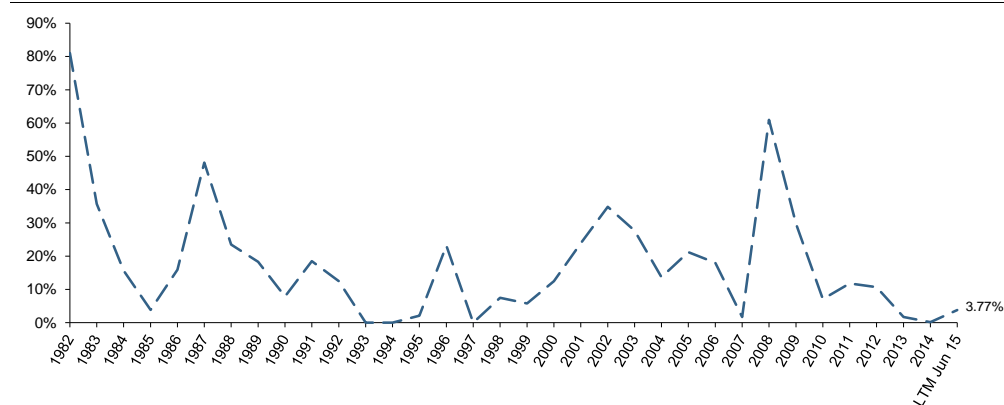
Exhibit 57: Recovery Rates by Size: 1980 – LTM June 2015

Recovery Rates by Size of Issue			
Year	\$0 MM to \$100 MM	\$101 MM to \$299 MM	\$300 MM and Over
1980	19.44%		
1981	12.00%		
1982	36.13%	45.20%	
1983	51.57%		
1984	56.76%	50.50%	
1985	42.93%	52.01%	32.00%
1986	40.35%	38.62%	
1987	47.07%	63.07%	77.85%
1988	35.09%	38.79%	53.00%
1989	34.91%	47.91%	22.58%
1990	30.17%	35.52%	18.11%
1991	44.63%	37.28%	30.62%
1992	46.82%	53.21%	44.71%
1993	37.10%	66.86%	43.17%
1994	38.56%	54.41%	38.57%
1995	44.63%	41.51%	39.09%
1996	41.70%	49.97%	31.05%
1997	63.18%	47.11%	44.75%
1998	43.14%	37.84%	26.94%
1999	34.36%	32.35%	15.43%
2000	31.77%	24.70%	29.91%
2001	21.65%	29.53%	26.10%
2002	36.36%	32.88%	23.88%
2003	44.48%	41.93%	49.76%
2004	58.23%	50.89%	61.67%
2005	55.31%	45.32%	59.20%
2006	74.81%	62.77%	58.67%
2007	59.32%	64.52%	28.56%
2008	26.06%	29.53%	42.47%
2009	35.26%	22.44%	29.15%
2010	55.68%	42.07%	75.50%
2011	39.75%	52.42%	72.43%
2012	51.12%	54.02%	58.21%
2013	34.89%	62.08%	57.46%
2014	70.48%	56.07%	62.58%
LTM Jun 15	48.30%	53.46%	44.85%
Average	42.89%	45.96%	43.28%

Source: Credit Suisse

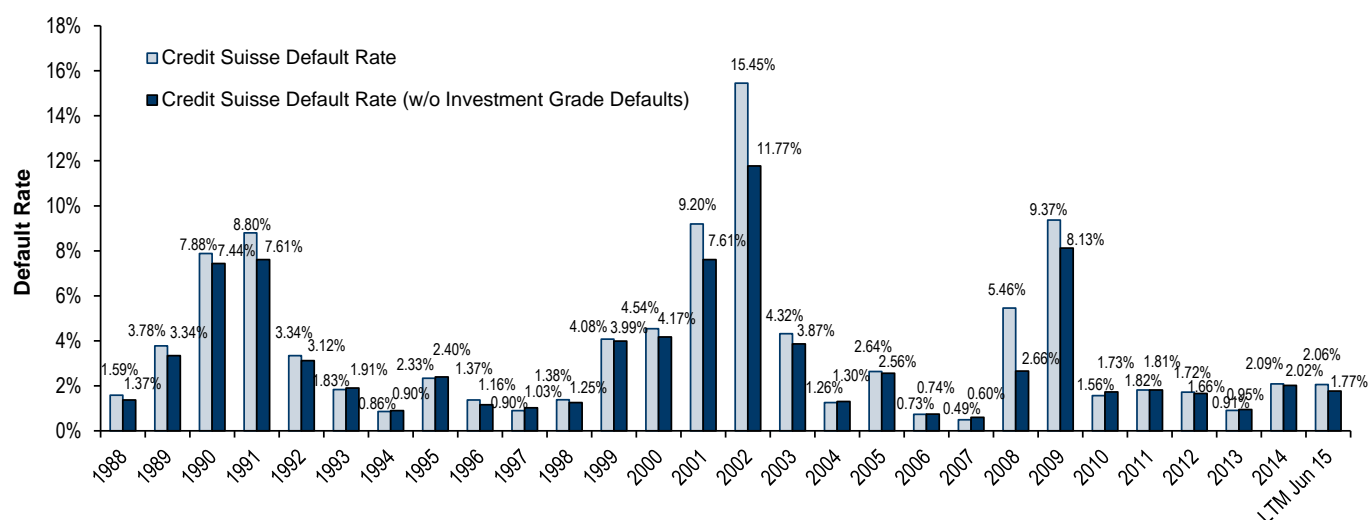
Fallen Angel Impact on High Yield Default Rates

Exhibit 58: Original-Issue Investment Grade Defaults as a % of High Yield Defaults: 1982 – LTM June 2015



Source: Credit Suisse

Exhibit 59: Default Rate and Default Rate Excl. Original Issue Investment-Grade, 1988 – LTM June 2015



Source: Credit Suisse

Exhibit 60: LTM June 2015 High Yield Defaults

Date of Default	Issuer	Coupon	Maturity	Bond Type	Industry	Original Rating	Defaulted Amount (\$MM)	Offer Price	Price at Default	Coupon Loss (\$MM)	Principal Loss (\$MM)	Recovery Rate
7/3/2014	Altegrity	10.500	11/1/2015	Sr Nts	SERVICE	CCC/Split CCC	279.100	95.5	90.000	15	16	94.27%
7/3/2014	Altegrity	11.750	5/1/2016	Sr Sub Nts	SERVICE	CCC/Split CCC	120.764	93.7	82.000	7	15	87.55%
7/30/2014	Verso Paper Holdings	11.375	8/1/2016	Sr Sub Nts	FOREST PROD/CONTAINERS	B	102.000	100.0	72.000	6	29	72.00%
7/30/2014	Verso Paper Holdings	8.750	2/1/2019	Sr Sec 2nd Pr Nts	FOREST PROD/CONTAINERS	B	299.400	99.3	57.750	13	125	58.16%
7/15/2014	Algoma Acquisition	9.875	6/15/2015	Sr Nts	METALS/MINERALS	Split B	384.700	100.0	69.500	19	117	69.50%
8/18/2014	Alion Science and Technology	10.250	2/1/2015	Sr Nts	AEROSPACE	Split B	210.986	100.0	74.000	11	55	74.00%
9/5/2014	Education Management	0.000	7/1/2018	Sr PIK Nts	SERVICE	CCC/Split CCC	175.377	100.0	50.000	0	88	50.00%
9/15/2014	NII International Telecom	11.375	8/15/2019	Sr Nts	MEDIA/TELECOM	B	900.000	100.0	62.500	51	338	62.50%
9/15/2014	NII International Telecom	7.875	8/15/2019	Sr Nts	MEDIA/TELECOM	B	700.000	100.0	61.500	28	270	61.50%
9/15/2014	NII Capital	8.875	12/15/2019	Sr Nts	MEDIA/TELECOM	Split BB	500.000	99.2	23.000	22	384	23.19%
9/15/2014	NII Capital	10.000	8/15/2016	Sr Nts	MEDIA/TELECOM	Split BB	800.000	97.6	23.000	40	611	23.57%
9/15/2014	NII Capital	7.625	4/1/2021	Sr Nts	MEDIA/TELECOM	B	1450.000	100.0	14.500	55	1,240	14.50%
10/1/2014	Endeavour International	12.000	3/1/2018	Sr Sec Nts	ENERGY	CCC/Split CCC	404.000	96.0	67.000	24	122	69.79%
10/1/2014	Endeavour International	12.000	6/1/2018	Sr Sec 2nd Pr Nts	ENERGY	CCC/Split CCC	150.000	96.0	17.000	9	123	17.71%
10/2/2014	Reichhold Industries	9.000	5/8/2017	Sr PIK Election Nts	CHEMICALS	NR	255.395	60.0	63.000	11	-13	105.00%
12/23/2014	iPayment	10.250	5/15/2018	Sr Nts	SERVICE	CCC/Split CCC	374.694	100.0	84.000	19	60	84.00%
12/23/2014	iPayment Holdings	15.000	11/15/2018	Sr PIK Election Nts	SERVICE	CCC/Split CCC	134.390	100.0	32.000	10	91	32.00%
1/5/2015	Education Management	0.000	7/1/2018	Sr Nts	SERVICE	NR	189.407	10.0	10.000	0	0	100.00%
1/7/2015	Chassis Holdings	10.000	12/15/2018	Sr PIK Toggle Nts	TRANSPORTATION	CCC/Split CCC	147.800	98.0	11.000	7	131	11.22%
1/15/2015	Caesars Entertainment Operating	12.750	4/15/2018	Sr Sec 2nd Lien Nts	GAMING/LEISURE	CCC/Split CCC	750.000	98.8	15.125	48	635	15.31%
1/15/2015	Caesars Entertainment Operating	8.500	2/15/2020	Sr Sec Nts	GAMING/LEISURE	B	1250.000	100.0	75.500	53	306	75.50%
1/15/2015	Caesars Operating Escrow	9.000	2/15/2020	Sr Sec Nts	GAMING/LEISURE	B	1500.000	100.0	76.500	68	353	76.50%
1/15/2015	Caesars Operating Escrow	9.000	2/15/2020	Sr Sec Nts	GAMING/LEISURE	B	1500.000	97.5	76.500	68	323	78.46%
1/15/2015	Harrah's Operating	5.750	10/1/2017	Nts	GAMING/LEISURE	BBB	81.900	99.3	14.500	2	70	14.60%
1/15/2015	Harrah's Operating	6.500	6/1/2016	Nts	GAMING/LEISURE	BBB	159.300	99.1	14.500	5	136	14.63%
1/15/2015	Harrah's Operating	10.000	12/15/2018	Sr Sec 2nd Pr Nts	GAMING/LEISURE	B	818.750	36.5	15.500	41	471	42.47%
1/15/2015	Harrah's Operating	10.750	2/1/2016	Sr Nts	GAMING/LEISURE	B	478.582	89.0	17.500	26	384	19.66%
1/15/2015	Harrah's Operating	11.250	6/1/2017	Sr Sec Nts	GAMING/LEISURE	Split B	2095.000	96.2	74.250	118	478	77.16%
1/15/2015	Harrah's Operating	10.000	12/15/2018	Sr Sec 2nd Pr Nts	GAMING/LEISURE	NR	3685.137	37.0	15.500	184	2,141	41.89%
2/2/2015	Saratoga Resources	12.500	7/1/2016	Sr Sec Nts	ENERGY	NR	125.200	98.2	29.000	8	88	29.53%
2/5/2015	RadioShack	6.750	5/15/2019	Sr Nts	RETAIL	BB	325.000	99.2	15.625	11	274	15.75%
2/8/2015	Altegrity	14.000	7/1/2020	Sr Sec Nts	SERVICE	CCC/Split CCC	200.100	85.0	44.000	14	97	51.76%
2/8/2015	Altegrity	13.000	7/1/2020	Sr Sec Nts	SERVICE	CCC/Split CCC	280.408	84.0	44.000	18	134	52.38%
2/8/2015	Altegrity	15.000	7/1/2021	Jr Sub Nts	SERVICE	CCC/Split CCC	60.764	75.0	28.000	5	38	37.33%
2/8/2015	Altegrity	9.500	7/1/2019	Sr Sec Nts	SERVICE	B	825.000	100.0	100.000	39	0	100.00%
2/20/2015	Ferrexpo Finance	7.875	4/7/2016	Sr Nts	METALS/MINERALS	B	214.331	100.0	77.000	8	49	77.00%
2/23/2015	Norske Skogindustrier	6.125	10/15/2015	Bds	FOREST PROD/CONTAINERS	BBB	117.244	99.6	95.000	4	5	95.40%
2/23/2015	Norske Skogindustrier	7.125	10/15/2033	Bds	FOREST PROD/CONTAINERS	BBB	105.089	99.7	46.000	4	57	46.13%
2/27/2015	Liberty Tire Recycling Holdco	11.000	10/1/2016	Sr Nts	SERVICE	B	222.700	98.9	80.000	12	43	80.87%

Source: Credit Suisse

Exhibit 61: LTM June 2015 High Yield Defaults (cont.)

Date of Default	Issuer	Coupon	Maturity	Bond Type	Industry	Original Rating	Defaulted Amount (\$MM)	Offer Price	Price at Default	Coupon Loss (\$MM)	Principal Loss (\$MM)	Recovery Rate
3/2/2015	Chassix	9.250	8/1/2018	Sr Sec Nts	TRANSPORTATION	B	375.000	100.0	71.500	17	107	71.50%
3/2/2015	Connacher Oil and Gas	8.500	8/1/2019	Sr Sec 2nd Lien Nts	ENERGY	CCC/Split CCC	550.000	100.0	14.500	23	470	14.50%
3/3/2015	Afen	11.500	2/1/2016	Sr Sec Nts	ENERGY	B	253.439	99.1	44.020	15	141	44.43%
3/17/2015	Quicksilver Resources	7.125	4/1/2016	Sr Sub Nts	ENERGY	B	350.000	100.0	1.500	12	345	1.50%
3/17/2015	Quicksilver Resources	9.125	8/15/2019	Sr Nts	ENERGY	B	300.000	97.6	15.000	14	254	15.37%
3/17/2015	Quicksilver Resources	11.000	7/1/2021	Sr Nts	ENERGY	CCC/Split CCC	325.000	94.9	13.500	18	279	14.22%
3/30/2015	Cliffs Natural Resources	5.900	3/15/2020	Sr Nts	METALS/MINERALS	BBB	66.971	99.4	60.000	2	27	60.35%
3/30/2015	Cliffs Natural Resources	4.800	10/1/2020	Sr Nts	METALS/MINERALS	BBB	137.775	99.8	58.000	3	58	58.12%
3/30/2015	Cliffs Natural Resources	6.250	10/1/2040	Sr Nts	METALS/MINERALS	BBB	261.323	98.3	51.000	8	126	51.91%
3/30/2015	Cliffs Natural Resources	4.875	4/1/2021	Sr Nts	METALS/MINERALS	BBB	208.543	99.9	56.000	5	92	56.06%
4/1/2015	American Eagle Energy	11.000	9/1/2019	Sr Sec Nts	ENERGY	CCC/Split CCC	175.000	99.1	32.500	10	118	32.81%
4/2/2015	Venoco	8.875	2/15/2019	Sr Nts	ENERGY	Split B	191.778	100.0	50.000	9	96	50.00%
4/6/2015	Xinergy	9.250	5/15/2019	Sr Sec Nts	METALS/MINERALS	Split B	195.000	100.0	58.000	9	82	58.00%
4/14/2015	Halcon Resources	9.750	7/15/2020	Sr Nts	ENERGY	Split B	186.578	98.6	81.000	9	33	82.11%
5/1/2015	RAAM Global Energy	12.500	10/1/2015	Sr Sec Nts	ENERGY	Split B	250.000	98.1	22.000	16	194	22.43%
5/5/2015	Magnetation	11.000	5/15/2018	Sr Sec Nts	METALS/MINERALS	B	425.000	100.0	32.000	23	289	32.00%
5/8/2015	Afen	10.250	4/8/2019	Sr Sec Nts	ENERGY	B	250.000	100.0	44.000	13	140	44.00%
5/19/2015	SandRidge Energy	7.500	3/15/2021	Sr Nts	ENERGY	B	29.000	100.0	61.500	1	11	61.50%
5/19/2015	SandRidge Energy	8.125	10/15/2022	Sr Nts	Energy	B	21.000	100.0	59.750	1	8	59.75%
5/20/2015	Forest Oil	7.250	6/15/2019	Sr Nts	ENERGY	B	577.914	100.0	25.500	21	431	25.50%
5/20/2015	Forest Oil	7.500	9/15/2020	Sr Nts	ENERGY	B	222.087	100.0	25.500	8	165	25.50%
5/20/2015	NFR Energy	9.750	2/15/2017	Sr Nts	ENERGY	Split B	350.000	98.7	18.750	17	284	18.99%
5/21/2015	Midstates Petroleum	10.750	10/1/2020	Sr Nts	ENERGY	Split B	279.800	100.0	48.000	15	145	48.00%
5/21/2015	Midstates Petroleum	9.250	6/1/2021	Sr Nts	ENERGY	Split B	350.300	100.0	46.500	16	187	46.50%
5/26/2015	Warren Resources	9.000	8/1/2022	Sr Nts	ENERGY	Split B	69.600	98.6	55.500	3	30	56.28%
6/15/2015	Colt Defense	8.750	11/15/2017	Sr Nts	AEROSPACE/DEFENSE	B	250.000	98.6	27.000	11	182	27.39%
6/15/2015	Tunica-Biloxi Gaming Authority	9.000	11/15/2015	Sr Nts	GAMING/LEISURE	B	150.000	100.0	52.000	7	72	52.00%
6/22/2015	American Energy - Woodford	9.000	9/15/2022	Sr Nts	ENERGY	CCC/Split CCC	339.700	95.9	44.000	15	184	45.88%
6/25/2015	Molycorp	10.000	6/1/2020	Sr Sec Nts	METALS/MINERALS	B	650.000	100.0	34.000	33	429	34.00%

Source: Credit Suisse

2Q15 U.S. Institutional Leveraged Loan Defaults

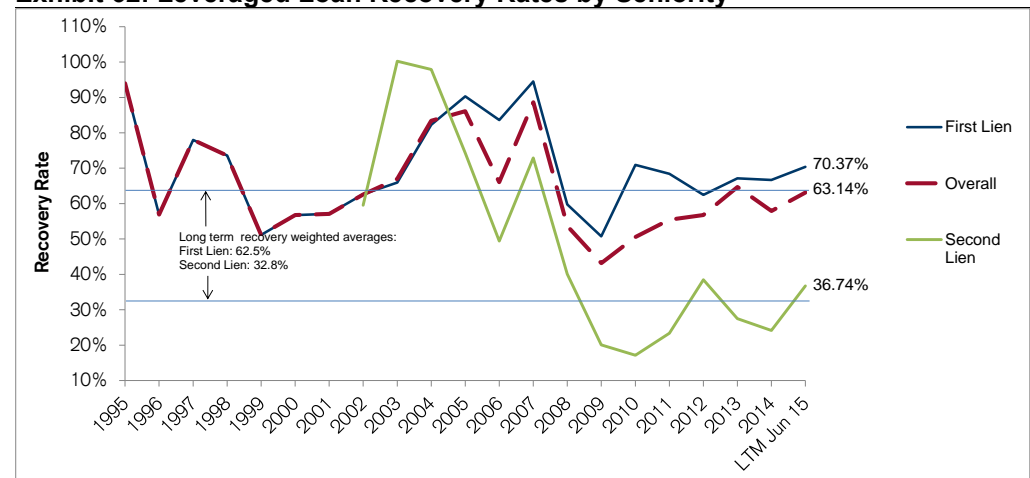
The U.S. institutional leveraged loan default rate decreased 221 bp, to 1.16% for LTM June 2015 from 3.37% at the end of the previous quarter. There were 17 loans from 13 companies that defaulted over the past 12 months, for a total face value of \$10.4 billion. Defaults were concentrated in the gaming/leisure, service and media/telecom industries.

The increase in the default rate over the prior quarter was due primarily to the \$19.5 billion default of Energy Future Holdings loans in April 2014 moving out of the trailing 12-month window, reducing the default rate by 217 bp. On the flip side, default of Caesars Entertainment in January increased the rate by 60 bp.

There were 6 loans from 6 issuers that defaulted in the second quarter, with a total face value of \$1.7 billion. The quarterly leveraged loan default rate, annualized, was 0.73%. Defaults in the second quarter occurred in the gaming, service and energy industries.

The average recovery rate (calculated using the price on the day of default) decreased 251 bp, to 63.1% for LTM June 2015 from 65.7% at the end of the prior quarter. First lien recovery rates averaged 70.4%, above the long-term average of 62.5%. Second lien recoveries averaged 36.74%, slightly above the long term recovery rate of 32.8%.

Exhibit 62: Leveraged Loan Recovery Rates by Seniority

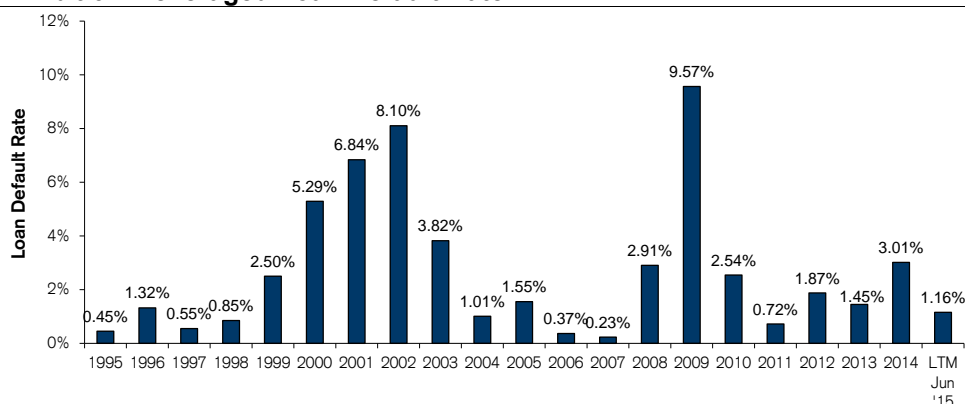


Source: Credit Suisse

Exhibit 63: Historical and Projected Default Rates

Default Rate Summary	Actual 2014	LTM June-15	Projected 2015	Projected 2016
US High Yield Bonds	2.09%	2.06%	1% - 3%	1% - 3%
US Leveraged Loans	3.01%	1.16%	1% - 2%	1% - 3%
W. European High Yield (Hedged in €)	0.89%	0.86%	0% - 1%	0.5% - 2%
W. European Lev. Loans (Hedged in €)	3.41%	1.31%	1% - 3%	1% - 3%

Source: Credit Suisse

Exhibit 64: Leveraged Loan Default Rate

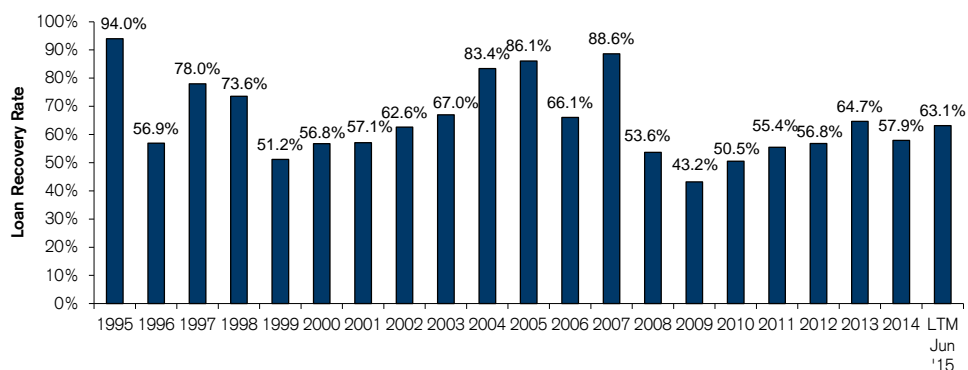
Defaulted loans defined as missed coupon, filed chapter 11, distressed exchange, or cross-defaults.

Source: Credit Suisse

Exhibit 65: Dollar amount of Defaulted Institutional Loans, Default and Recovery Rate

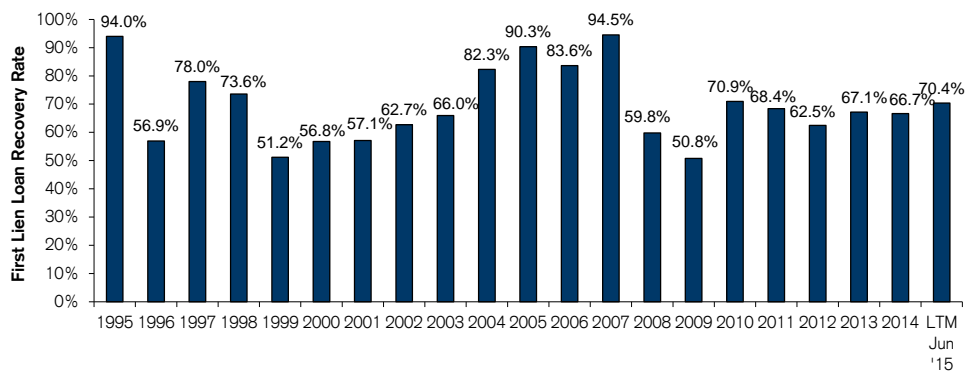
	Defaulted Amount (\$mm)	Market Size (\$mm)	Market Size Midpoint (\$mm)	Annual Default Rate	Average Recovery Rate	Average Default Loss Rate
1995	104	23,038	23,038	0.45%	94.00%	0.03%
1996	375	33,748	28,393	1.32%	56.92%	0.57%
1997	238	52,642	43,195	0.55%	78.00%	0.12%
1998	599	88,004	70,323	0.85%	73.58%	0.23%
1999	2,678	126,088	107,046	2.50%	51.17%	1.22%
2000	7,160	144,803	135,445	5.29%	56.75%	2.29%
2001	9,773	141,040	142,921	6.84%	57.09%	2.93%
2002	11,412	140,695	140,867	8.10%	62.59%	3.03%
2003	6,285	188,229	164,462	3.82%	66.97%	1.26%
2004	2,506	307,222	247,725	1.01%	83.41%	0.17%
2005	5,550	407,742	357,482	1.55%	86.09%	0.22%
2006	1,886	617,292	512,517	0.37%	66.08%	0.12%
2007	1,699	840,571	728,931	0.23%	88.63%	0.03%
2008	24,652	855,918	848,245	2.91%	53.65%	1.35%
2009	78,194	778,860	817,389	9.57%	43.18%	5.44%
2010	18,068	642,299	710,579	2.54%	50.54%	1.26%
2011	4,510	612,583	627,441	0.72%	55.44%	0.32%
2012	11,629	627,940	620,261	1.87%	56.78%	0.81%
2013	9,969	750,514	689,227	1.45%	64.67%	0.51%
2014	24,967	906,413	828,464	3.01%	57.91%	1.27%
LTM Jun '15	10,375	945,366	897,341	1.16%	63.14%	0.43%

Source: Credit Suisse

Exhibit 66: Annual Leveraged Loan Recovery Rates: 1995 – LTM June 2015

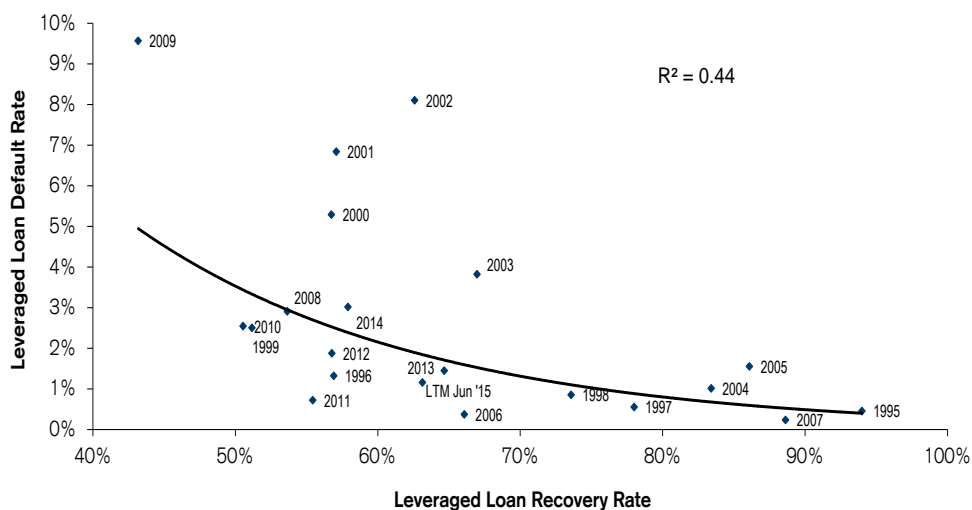
Defaulted loans defined as missed coupon, filed chapter 11, distressed exchange, or cross-defaults.

Source: Credit Suisse

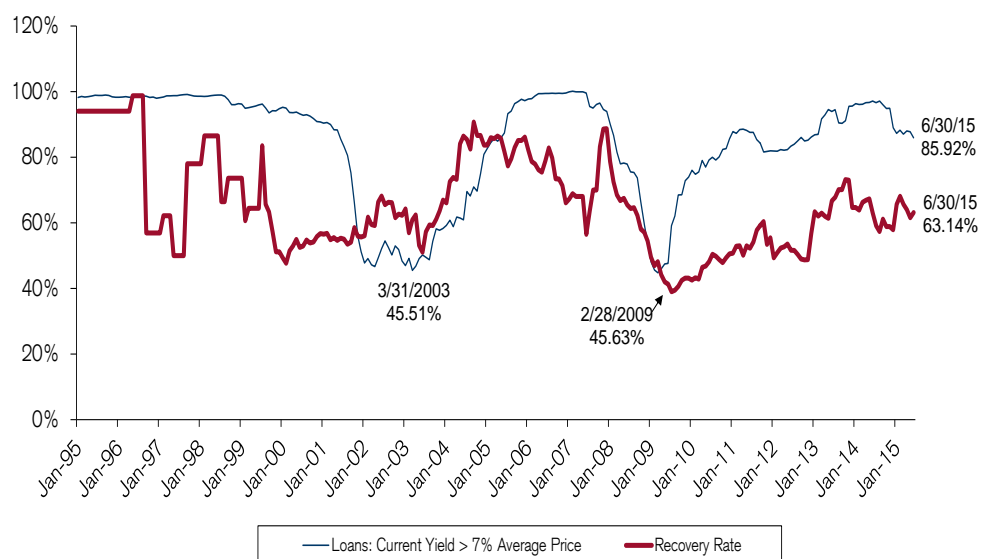
Exhibit 67: First Lien Leveraged Loan Recovery Rates: 1995 – LTM June 2015

Defaulted loans defined as missed coupon, filed chapter 11, distressed exchange, or cross-defaults.

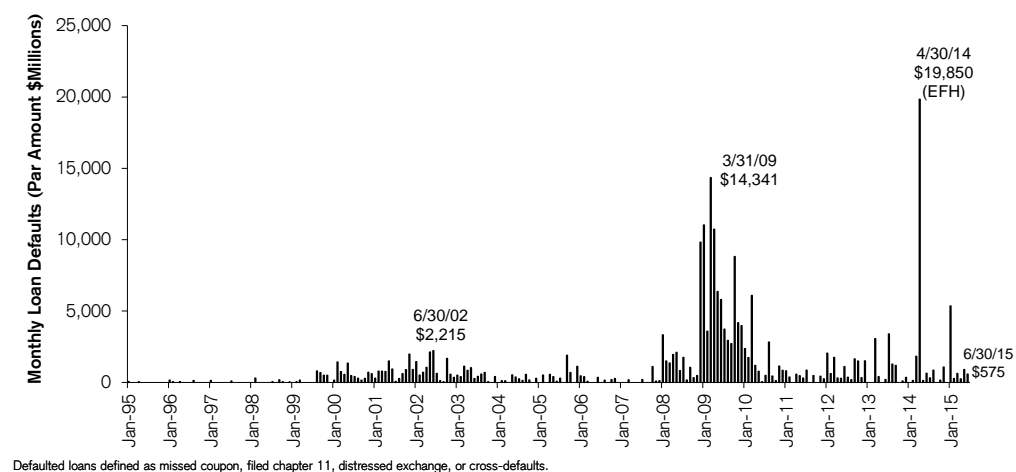
Source: Credit Suisse

Exhibit 68: Leveraged Loan Default and Recovery Rates: 1995 – LTM June 2015

Source: Credit Suisse

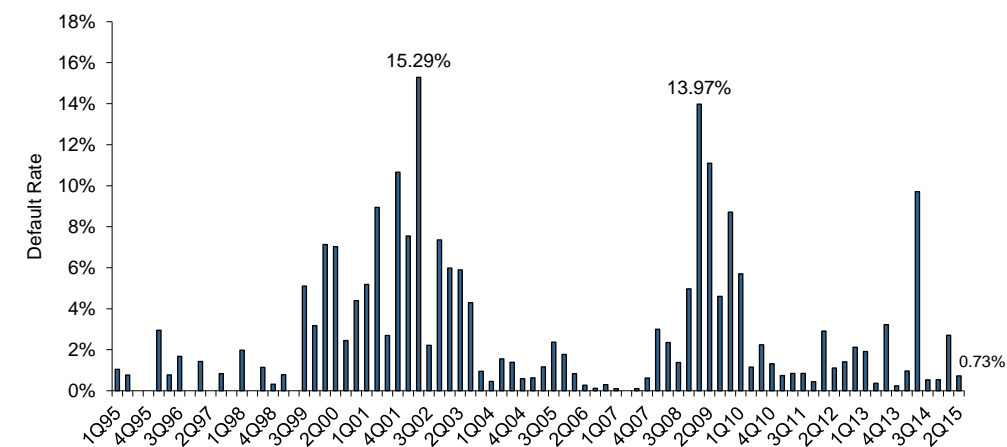
Exhibit 69: Average Price of U.S. Stressed Loans vs. Recovery Rates of Loan Defaults: 1995 – June 2015

Source: Credit Suisse

Exhibit 70: Monthly Institutional Leveraged Loan Defaults: 1995 – June 2015

Source: Credit Suisse

The quarterly annualized default rate decreased to 0.73% in second quarter from 2.7% in the first quarter.

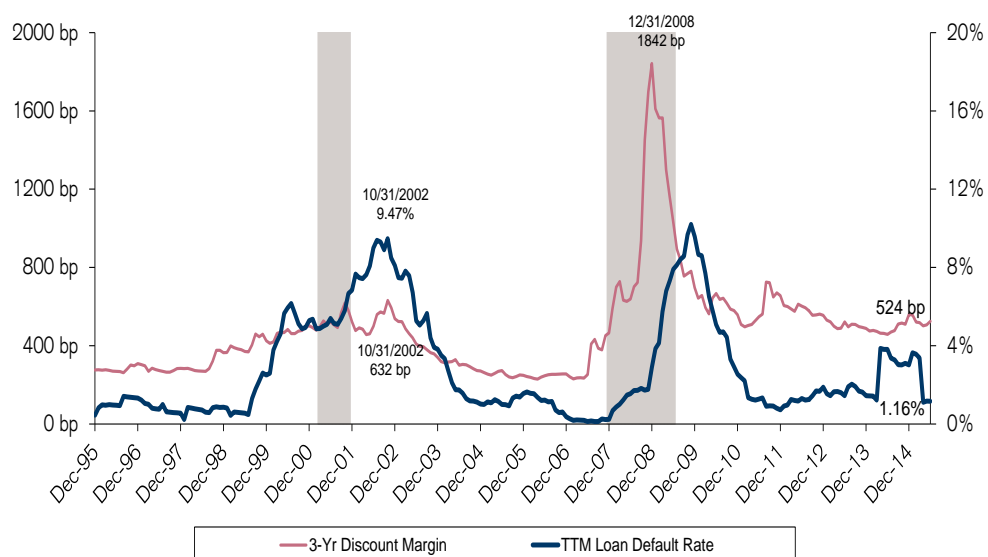
Exhibit 71: Quarterly Leveraged Loan Default Rates, Annualized: 1Q95 – 2Q15

Source: Credit Suisse

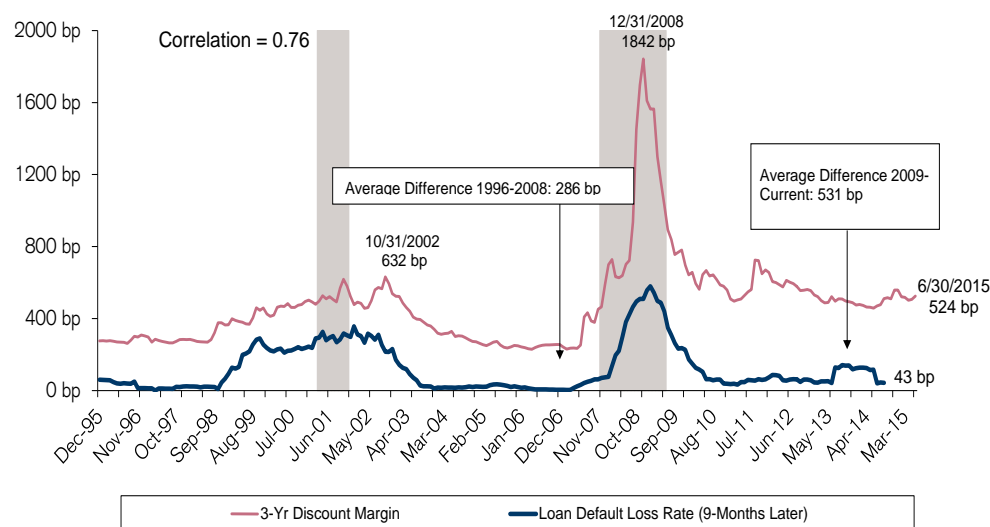
Exhibit 72: Quarterly Leveraged Loan Default Rates, Annualized: 1Q95 – 2Q15

Quarterly Leveraged Loan Default Rate, Annualized				
Year	Q1	Q2	Q3	Q4
1995	1.04%	0.76%	0.00%	0.00%
1996	2.96%	0.77%	1.67%	0.00%
1997	1.43%	0.00%	0.83%	0.00%
1998	1.98%	0.00%	1.14%	0.32%
1999	0.78%	0.00%	5.10%	3.17%
2000	7.13%	7.03%	2.45%	4.40%
2001	5.18%	8.94%	2.69%	10.66%
2002	7.55%	15.29%	2.22%	7.36%
2003	5.98%	5.90%	4.30%	0.95%
2004	0.45%	1.56%	1.39%	0.59%
2005	0.63%	1.16%	2.37%	1.77%
2006	0.83%	0.27%	0.12%	0.29%
2007	0.10%	0.00%	0.10%	0.62%
2008	3.00%	2.35%	1.38%	4.97%
2009	13.97%	11.10%	4.60%	8.71%
2010	5.70%	1.15%	2.24%	1.32%
2011	0.74%	0.85%	0.85%	0.44%
2012	2.91%	1.11%	1.41%	2.12%
2013	1.91%	0.37%	3.22%	0.24%
2014	0.97%	9.71%	0.54%	0.54%
2015	2.70%	0.73%		
Average	3.24%	3.42%	1.93%	2.42%

Source: Credit Suisse

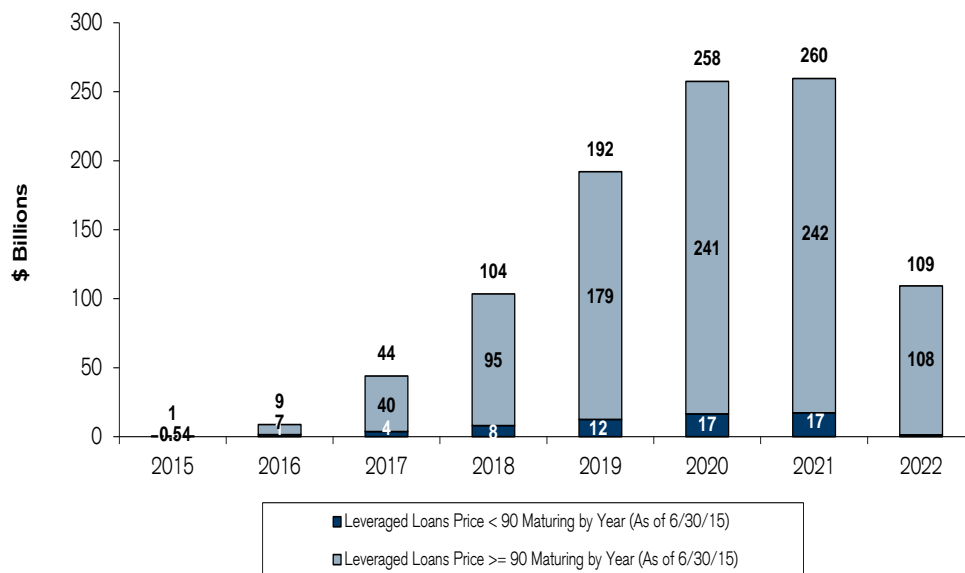
Exhibit 73: Leveraged Loan Default Rates vs. 3-Year Loan Discount Margin

Source: Credit Suisse

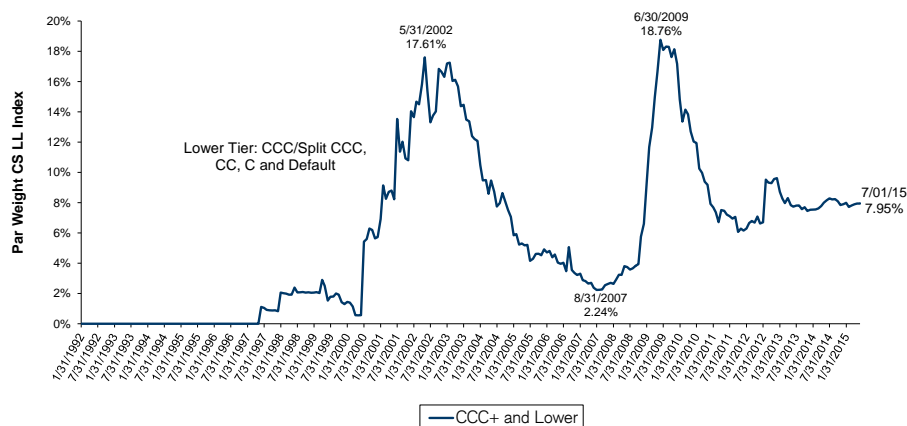
Exhibit 74: Leveraged Loan Default Loss Rate vs. 3-Year Loan Discount Margin

Source: Credit Suisse

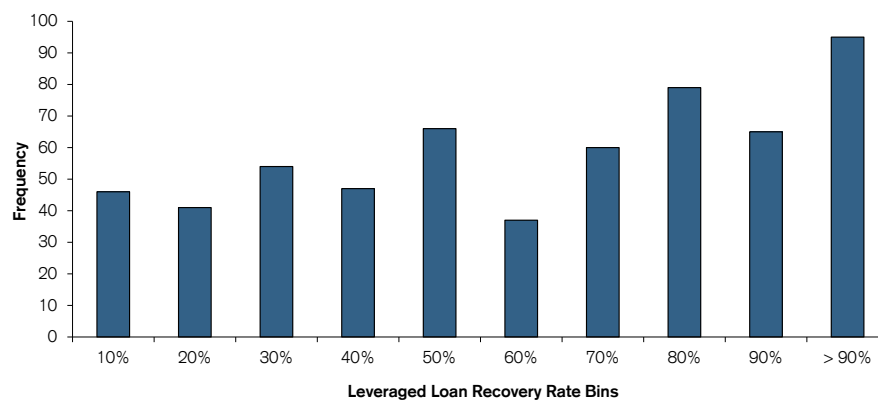
There are \$53 billion of leveraged loans maturing by the end of 2017. \$5 billion of these have a price below 90.

Exhibit 75: Institutional Leveraged Loans Maturing by Year

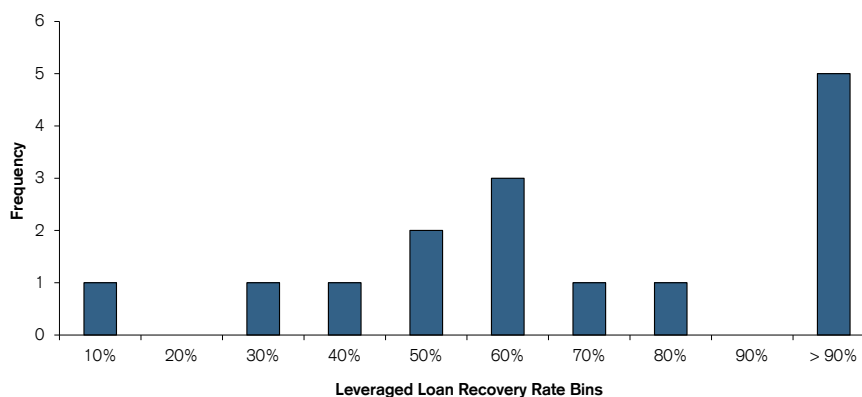
Source: Credit Suisse

Exhibit 76: Lower Tier Par Weight of the CS Leveraged Loan Index

Source: Credit Suisse

Exhibit 77: Distribution of Leveraged Loan Default Recovery Rates, 1995 – June 2015

Source: Credit Suisse

Exhibit 78: Distribution of Leveraged Loan Default Recovery Rates, LTM June 2015

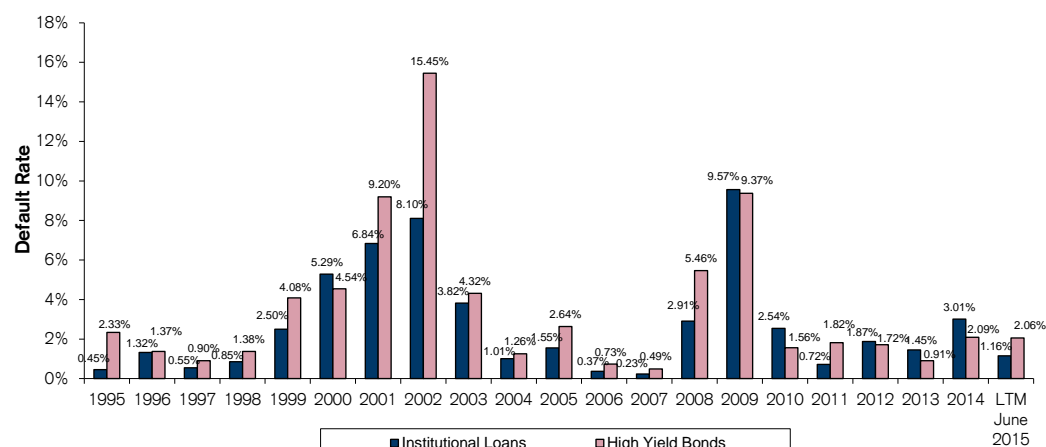
Source: Credit Suisse

Exhibit 79: High Yield Bonds vs. Leveraged Loans: Loss, Recovery and Default Rates

Year	Avg Principal Loss Rate		Default Rate		Avg Recovery Rate		Avg Recovery Rate	
	Bonds	Loans	Bonds	Loans	Bonds	Loans	First Lien Loans	Second Lien Loans
1995	57.56%	6.00%	2.33%	0.45%	42.44%	94.00%	94.00%	
1996	53.36%	43.08%	1.37%	1.32%	46.64%	56.92%	56.92%	
1997	46.29%	22.00%	0.90%	0.55%	53.71%	78.00%	78.00%	
1998	62.31%	26.42%	1.38%	0.85%	37.69%	73.58%	73.58%	
1999	68.73%	48.83%	4.08%	2.50%	31.27%	51.17%	51.17%	
2000	73.53%	43.25%	4.54%	5.29%	26.47%	56.75%	56.75%	
2001	72.01%	42.91%	9.20%	6.84%	27.99%	57.09%	57.09%	
2002	70.04%	37.41%	15.45%	8.10%	29.96%	62.59%	62.67%	59.56%
2003	55.70%	33.03%	4.32%	3.82%	44.30%	66.97%	65.96%	100.25%
2004	47.06%	16.59%	1.26%	1.01%	52.94%	83.41%	82.30%	97.87%
2005	49.46%	13.91%	2.64%	1.55%	50.54%	86.09%	90.31%	74.27%
2006	33.80%	33.92%	0.73%	0.37%	66.20%	66.08%	83.64%	49.41%
2007	40.36%	11.37%	0.49%	0.23%	59.64%	88.63%	94.52%	72.91%
2008	65.17%	46.35%	5.46%	2.91%	34.83%	53.65%	59.78%	40.07%
2009	72.64%	56.82%	9.37%	9.57%	27.36%	43.18%	50.75%	20.07%
2010	41.63%	49.46%	1.56%	2.54%	58.37%	50.54%	70.95%	17.16%
2011	45.93%	44.56%	1.82%	0.72%	54.07%	55.44%	68.41%	23.38%
2012	44.59%	43.22%	1.72%	1.87%	55.41%	56.78%	62.45%	38.50%
2013	41.63%	35.33%	0.91%	1.45%	58.37%	64.67%	67.15%	27.50%
2014	38.84%	42.09%	2.09%	3.01%	61.16%	57.91%	66.66%	24.15%
LTM June 2015	50.54%	36.86%	2.06%	1.16%	49.46%	63.14%	70.37%	36.74%
Average	53.87%	34.92%	3.51%	2.67%	46.13%	65.08%	69.69%	48.70%

** In 2003, 2004 and 2013 there was just one second lien loan that defaulted for which we had recovery rate information.

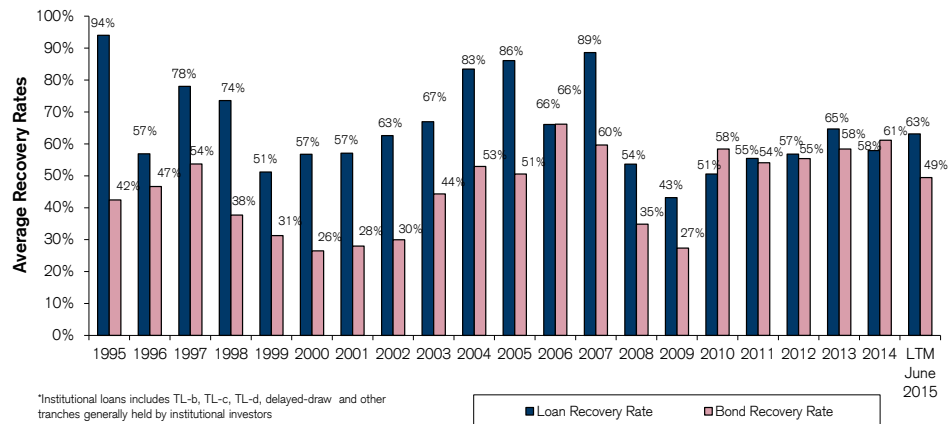
Source: Credit Suisse

Exhibit 80: High Yield Bond vs. Leveraged Loan Default Rates: 1992 – June 2015

Defaulted loans defined as missed coupon, filed chapter 11, distressed exchange, or cross-defaults.
 *Institutional includes TL-b, TL-c, TL-d, delayed-draw and other tranches generally held by institutional investors

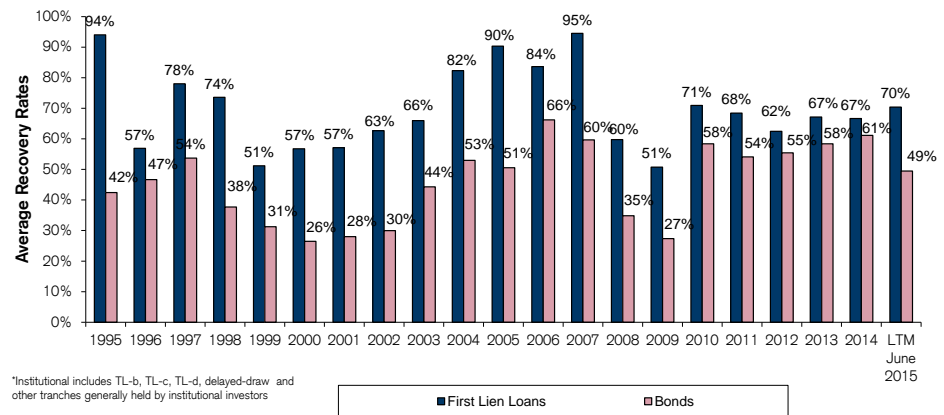
Source: Credit Suisse

Exhibit 81: Institutional Leveraged Loan vs. High Yield Bond Recovery Rates



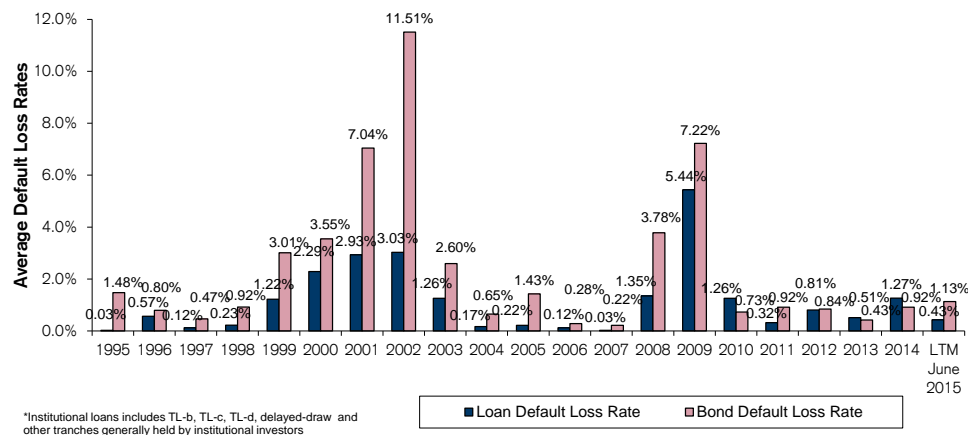
Source: Credit Suisse

Exhibit 82: First Lien Leveraged Loan vs. High Yield Bond Recovery Rates



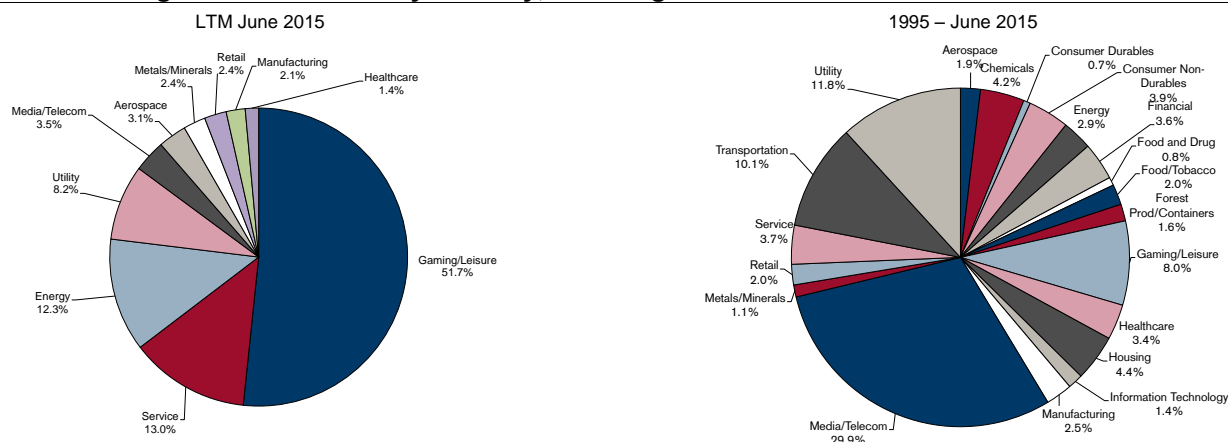
Source: Credit Suisse

Exhibit 83: Institutional Leveraged Loan vs. High Yield Bond Default Loss Rates



Source: Credit Suisse

By Industry

Exhibit 84: Leveraged Loan Defaults by Industry, Par Weight Distribution

Source: Credit Suisse

Exhibit 85: Annual Leveraged Loan Default Rates by Industry

	Aerospace	Chemicals	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
1995	0.00%			0.00%	0.00%		2.61%	0.00%	0.00%		0.00%	0.00%	29.77%	0.00%	0.00%	0.00%	0.00%	0.00%			0.45%
1996	0.00%			0.00%	48.41%		0.00%	3.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.18%	0.00%	4.45%	0.00%	0.00%		1.32%
1997	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.55%	0.00%	2.76%	0.00%	0.00%		0.55%
1998	0.00%	0.00%	0.00%	0.00%			8.18%	0.00%	0.00%	0.00%	0.69%	0.00%	0.00%	0.00%	0.00%	11.19%	0.00%	0.00%	0.00%		0.85%
1999	0.00%	0.00%	0.00%	3.18%	0.00%		0.00%	4.54%	0.00%	0.00%	8.39%	0.00%	0.00%	0.00%	3.10%	0.00%	0.00%	0.47%	2.93%	0.00%	2.50%
2000	5.36%	0.90%	0.00%	7.67%	0.00%	0.00%	13.66%	0.00%	1.24%	6.76%	11.19%	4.47%	9.95%	4.07%	1.82%	13.60%	3.62%	9.90%	5.52%	0.00%	5.29%
2001	1.82%	4.77%	13.22%	23.55%	0.00%	0.00%	0.00%	3.03%	0.30%	8.14%	5.08%	1.31%	17.92%	8.19%	6.91%	1.68%	5.95%	6.97%	9.09%	0.00%	6.84%
2002	0.00%	3.37%	0.00%	13.60%	0.00%	46.29%	0.00%	1.93%	0.00%	1.30%	2.85%	7.72%	6.61%	11.05%	12.75%	8.27%	0.00%	5.37%	5.79%	39.75%	8.10%
2003	3.62%	0.00%	0.00%	2.79%	0.00%	0.00%	15.03%	4.48%	0.00%	0.00%	4.33%	6.55%	15.01%	7.91%	2.71%	0.00%	7.71%	5.89%	5.58%	4.66%	3.82%
2004	2.58%	0.78%	0.00%	1.20%	0.00%	0.00%	0.00%	2.67%	0.38%	0.00%	0.00%	1.34%	0.00%	0.00%	1.33%	3.50%	0.00%	2.39%	1.90%	0.00%	1.01%
2005	9.01%	0.00%	0.00%	0.26%	0.00%	14.41%	0.00%	1.43%	0.00%	0.00%	0.00%	0.00%	0.00%	1.82%	0.00%	0.00%	0.00%	0.00%	9.61%	4.18%	1.55%
2006	0.00%	0.00%	9.51%	0.38%	0.00%	0.00%	0.00%	2.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.00%	0.00%	0.00%	2.12%	0.00%	0.37%
2007	0.00%	0.00%	0.00%	0.00%	0.30%	0.00%	0.00%	0.00%	0.87%	0.78%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	3.12%	0.00%	0.72%	0.00%	0.23%
2008	0.00%	1.31%	6.57%	2.48%	4.29%	0.00%	0.00%	2.04%	0.00%	14.57%	0.00%	10.67%	0.00%	3.06%	4.84%	0.00%	1.49%	0.16%	4.01%	0.00%	2.91%
2009	1.39%	19.56%	15.43%	9.75%	9.98%	27.43%	4.05%	0.53%	10.65%	6.02%	0.84%	21.03%	0.00%	4.63%	16.00%	16.49%	1.00%	0.92%	26.67%	0.00%	9.57%
2010	0.00%	1.47%	0.00%	7.89%	0.00%	2.30%	2.25%	0.05%	1.76%	6.11%	0.87%	1.95%	0.71%	4.04%	4.67%	0.00%	4.22%	1.19%	0.00%	4.53%	2.54%
2011	0.00%	0.00%	0.00%	6.52%	0.00%	0.00%	0.00%	1.12%	1.32%	1.79%	0.69%	0.00%	0.00%	0.61%	0.56%	0.00%	4.17%	0.00%	0.00%	0.00%	0.72%
2012	11.70%	0.00%	0.00%	3.82%	2.34%	5.62%	0.00%	2.42%	0.00%	2.37%	0.41%	4.78%	0.00%	0.92%	2.19%	0.00%	1.06%	1.42%	1.10%	0.71%	1.87%
2013	0.00%	0.00%	0.00%	0.00%	1.29%	0.00%	0.00%	0.00%	0.00%	2.22%	0.53%	0.00%	0.00%	0.00%	5.86%	0.00%	0.65%	0.51%	0.00%	2.30%	1.45%
2014	1.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.62%	0.00%	0.97%	0.00%	0.38%	0.00%	0.00%	1.74%	0.00%	44.40%	3.01%
LTM Jun 15	1.26%	0.00%	5.61%	0.00%	3.15%	0.00%	0.00%	0.00%	0.00%	9.91%	0.14%	0.00%	0.00%	0.55%	0.27%	1.40%	0.00%	1.28%	0.00%	1.81%	1.16%
Average:	1.82%	1.69%	2.65%	3.96%	3.67%	6.00%	2.18%	1.43%	0.79%	3.00%	1.75%	2.85%	3.85%	2.23%	3.20%	2.67%	1.91%	1.82%	3.75%	6.02%	2.67%

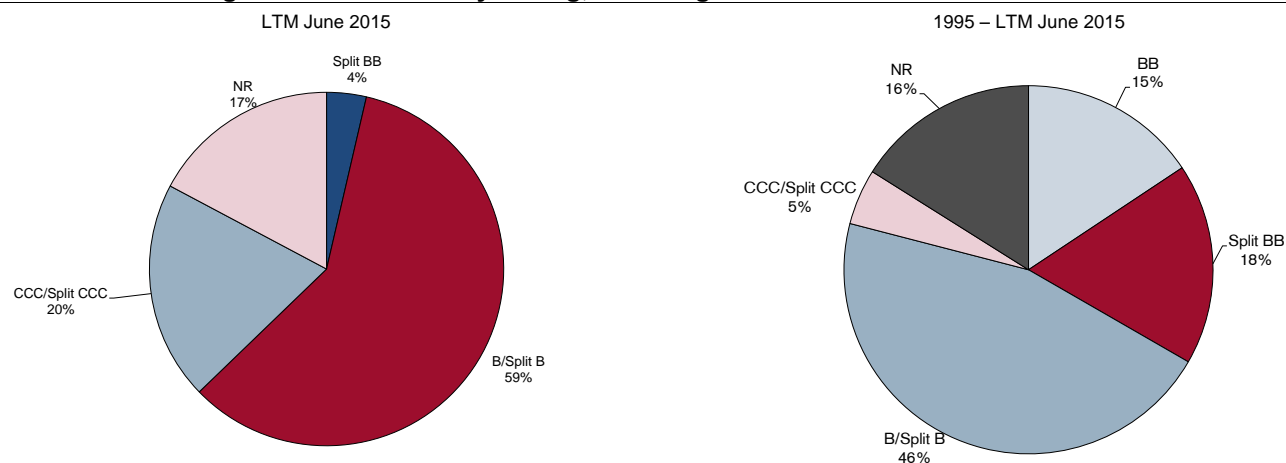
Source: Credit Suisse

Exhibit 86: Annual Leveraged Loan Recovery Rates by Industry

	Aerospace	Chemicals	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
1995							94.00%														94.00%
1996								98.75%							36.00%						56.92%
1997															78.00%						78.00%
1998							86.49%			26.33%						95.00%					73.58%
1999								81.00%		43.90%					30.00%				49.00%		51.17%
2000	76.00%	83.00%		50.88%			75.65%		89.00%	63.89%	48.72%	22.00%	45.75%	72.00%	70.00%	33.17%		44.94%	62.13%		56.75%
2001	72.50%	38.50%	72.33%	64.49%				54.67%		76.56%	63.40%		11.40%	69.25%	41.84%			47.50%	84.57%		57.09%
2002		93.85%		74.57%		73.00%		93.37%		99.75%	79.00%	73.44%	60.75%	41.07%	52.36%			20.75%	70.33%		62.59%
2003	64.38%						82.13%	101.46%			49.17%	25.12%	40.00%	69.56%	71.20%		6.00%	61.17%	78.50%	100.25%	66.97%
2004	97.87%	91.00%		39.63%				93.67%				79.25%			82.53%				83.19%		83.41%
2005	100.46%			65.00%		94.13%		41.75%						80.25%					94.80%	94.08%	86.09%
2006			73.87%	60.75%				50.83%											70.06%		66.08%
2007					80.00%				99.00%	98.37%					98.50%		86.63%		81.69%		88.63%
2008		60.00%	7.00%	53.92%	52.33%			78.31%		56.20%		56.46%		53.50%	41.79%		59.19%	49.50%	56.44%		53.65%
2009	63.62%	48.36%	57.56%	52.09%	43.52%	62.00%		77.00%	39.06%	41.67%	32.38%	32.06%		31.59%	48.51%	15.67%	70.00%	36.27%	40.03%		43.18%
2010		56.67%		39.41%		34.12%			89.00%	48.73%	33.57%	22.20%	41.50%	70.02%	68.91%		28.12%	53.97%		59.21%	50.54%
2011				50.63%				72.62%	74.47%	42.00%	56.25%			89.63%	50.67%		46.12%				55.44%
2012	78.31%			83.38%	50.39%	28.75%		49.12%		69.60%	91.52%	81.81%		25.50%	50.54%		78.00%	30.40%	18.29%	29.62%	56.78%
2013					73.21%					47.84%	95.08%				62.42%		76.50%	62.50%		58.85%	64.67%
2014	34.42%									52.66%			63.49%		43.81%			56.81%		71.76%	57.91%
LTM Jun 15	34.42%		49.62%		51.22%					94.57%	25.00%			52.06%	42.89%	58.67%		97.97%		62.91%	63.14%
Average:	69.11%	67.34%	52.08%	57.70%	58.44%	58.40%	84.56%	74.38%	78.11%	67.20%	53.61%	49.04%	43.82%	59.49%	57.06%	50.63%	56.32%	51.07%	65.75%	68.10%	65.08%

Source: Credit Suisse

By Rating

Exhibit 87: Leveraged Loan Defaults by Rating, Par Weight Distribution

Source: Credit Suisse

Exhibit 88: Annual Leveraged Loan Default Rates by Original Rating

	BB	Split BB	B/Split B	CCC/Split CCC	Not Rated	Overall
1995	0.00%	0.00%	0.00%		0.61%	0.45%
1996	0.00%	0.00%	2.42%		1.30%	1.32%
1997	0.00%	0.00%	1.62%		0.53%	0.55%
1998	0.00%	0.46%	4.01%		0.36%	0.85%
1999	1.78%	4.89%	4.57%		0.64%	2.50%
2000	5.63%	5.56%	7.16%	0.00%	3.25%	5.29%
2001	1.11%	7.65%	13.01%	58.37%	7.89%	6.84%
2002	4.48%	11.39%	12.25%	0.00%	12.90%	8.10%
2003	2.03%	0.94%	8.87%	0.00%	5.93%	3.82%
2004	0.24%	1.03%	1.84%	22.51%	0.61%	1.01%
2005	0.00%	4.15%	1.74%	0.00%	0.81%	1.55%
2006	0.19%	0.09%	0.44%	8.42%	0.61%	0.37%
2007	0.00%	0.00%	0.27%	4.87%	0.45%	0.23%
2008	3.92%	2.31%	1.94%	7.05%	3.51%	2.91%
2009	6.55%	9.58%	14.13%	23.27%	5.26%	9.57%
2010	0.76%	0.73%	4.99%	5.47%	3.36%	2.54%
2011	0.50%	0.00%	0.69%	0.00%	2.09%	0.72%
2012	0.80%	2.30%	2.06%	4.26%	3.05%	1.87%
2013	0.06%	0.54%	2.41%	0.00%	4.32%	1.45%
2014	0.72%	3.05%	4.83%	0.45%	1.82%	3.01%
LTM Jun 15	0.42%	0.24%	1.34%	4.22%	5.57%	1.16%
Average:	1.39%	2.61%	4.31%	8.68%	3.09%	2.67%

Source: Credit Suisse

Exhibit 89: Leveraged Loan Recovery Rates by Original Rating

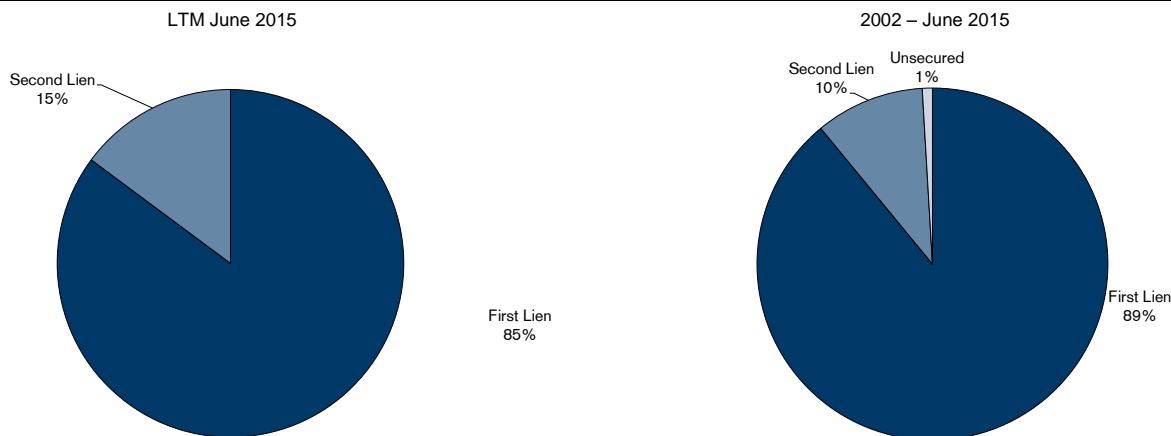
	BB	Split BB	B/Split B	CCC/Split CCC	Not Rated	Overall
1995					94.00%	94.00%
1996					56.92%	56.92%
1997			78.00%			78.00%
1998		26.33%	89.32%			73.58%
1999	62.54%	36.11%	51.00%			51.17%
2000	48.22%	59.21%	63.68%		52.27%	56.75%
2001	86.64%	49.73%	64.72%	24.11%	27.91%	57.09%
2002	63.85%	73.98%	60.75%		53.60%	62.59%
2003	80.13%	42.00%	63.95%		69.47%	66.97%
2004	95.00%	92.58%	92.15%	60.19%	59.44%	83.41%
2005		93.81%	93.82%		42.83%	86.09%
2006	40.50%	99.25%	71.18%	59.74%	57.58%	66.08%
2007			95.64%	90.17%	83.19%	88.63%
2008	56.15%	43.32%	57.17%	50.47%	52.87%	53.65%
2009	52.77%	55.04%	41.29%	31.80%	35.53%	43.18%
2010	69.49%	46.95%	53.88%	7.26%	50.31%	50.54%
2011	67.63%		66.72%		49.12%	55.44%
2012	65.87%	60.60%	60.27%	40.69%	56.30%	56.78%
2013		84.14%	61.88%		61.93%	64.67%
2014	81.48%	51.07%	69.72%	5.00%	36.85%	57.91%
LTM Jun 15	78.00%		70.49%	48.98%	51.83%	63.14%
Average:	67.73%	60.94%	68.72%	41.84%	55.11%	65.08%

Source: Credit Suisse

By Loan Priority

Second-liens accounted for 15% of defaults over the last 12 months. During this time, the first lien default rate was 0.97%, while the second lien default rate was 2.44%.

Exhibit 90: Leveraged Loan Defaults by Loan Priority, Par Weight Distribution



Source: Credit Suisse

Exhibit 91: Annual Leveraged Loan Default Rates by Loan Priority

	First Lien	Second Lien	Unsecured	Overall
1995	0.45%			0.45%
1996	1.32%			1.32%
1997	0.55%			0.55%
1998	0.85%			0.85%
1999	2.50%			2.50%
2000	5.31%			5.29%
2001	6.91%			6.84%
2002	7.80%	81.83%		8.10%
2003	3.63%	13.97%		3.82%
2004	1.01%	1.26%		1.01%
2005	1.29%	5.73%		1.55%
2006	0.25%	1.78%		0.37%
2007	0.19%	0.74%		0.23%
2008	2.76%	4.93%	3.57%	2.91%
2009	9.50%	8.17%	25.19%	9.57%
2010	1.88%	13.93%	0.00%	2.54%
2011	0.62%	2.51%	1.63%	0.72%
2012	1.78%	4.46%	0.00%	1.87%
2013	1.52%	0.33%	0.00%	1.45%
2014	2.98%	2.12%	0.00%	3.01%
LTM Jun 15	0.97%	2.44%	0.00%	1.16%
Average:	2.57%	10.30%	3.80%	2.67%

Source: Credit Suisse

Exhibit 92: Leveraged Loan Recovery Rates by Loan Priority

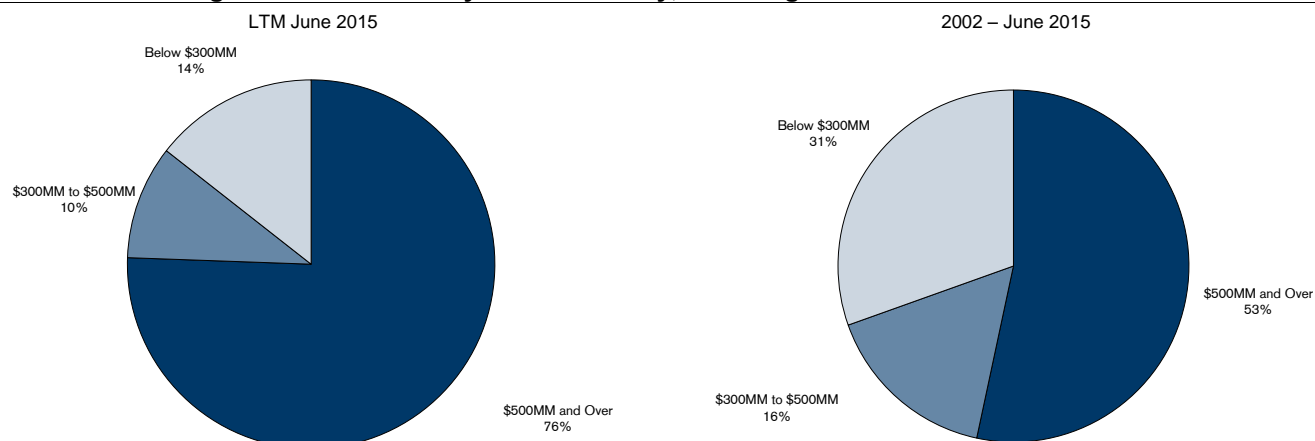
	First Lien	Second Lien	Unsecured	Overall
1995	94.00%			94.00%
1996	56.92%			56.92%
1997	78.00%			78.00%
1998	73.58%			73.58%
1999	51.17%			51.17%
2000	56.75%			56.75%
2001	57.09%			57.09%
2002	62.67%	59.56%		62.59%
2003	65.96%	100.25% *		66.97%
2004	82.30%	97.87% *		83.41%
2005	90.31%	74.27%		86.09%
2006	83.64%	49.41%		66.08%
2007	94.52%	72.91%		88.63%
2008	59.78%	40.07%	20.00%	53.65%
2009	50.75%	20.07%	19.87%	43.18%
2010	70.95%	17.16%		50.54%
2011	68.41%	23.38%		55.44%
2012	62.45%	38.50%		56.78%
2013	67.15%	27.50%		64.67%
2014	66.66%	24.15%		57.91%
LTM Jun 15	70.37%	36.74%		63.14%
Weighted Average:	62.46%	32.75%	21.25%	56.44%

* In both 2003 and 2004 there was just one 2nd lien that defaulted for which we had recovery rate information

Source: Credit Suisse

By Size of Facility

Exhibit 93: Leveraged Loan Defaults by Size of Facility, Par Weight Distribution



Source: Credit Suisse

Exhibit 94: Annual Leveraged Loan Default Rates by Size of Facility

	\$500MM and Over	\$300MM to \$500MM	Below \$300MM	Overall
1995	0.00%	0.00%	1.22%	0.45%
1996	0.00%	0.00%	2.41%	1.32%
1997	0.00%	0.00%	0.89%	0.55%
1998	0.00%	0.00%	1.57%	0.85%
1999	2.27%	0.00%	3.62%	2.50%
2000	4.13%	1.43%	7.84%	5.29%
2001	5.57%	6.39%	8.12%	6.84%
2002	5.67%	5.99%	11.98%	8.10%
2003	0.85%	3.51%	6.93%	3.82%
2004	0.00%	0.66%	2.42%	1.01%
2005	1.40%	1.55%	1.80%	1.55%
2006	0.00%	0.00%	1.48%	0.37%
2007	0.13%	0.00%	0.69%	0.23%
2008	1.90%	4.21%	5.34%	2.91%
2009	9.56%	11.98%	8.05%	9.57%
2010	1.52%	4.17%	4.74%	2.54%
2011	0.21%	1.68%	1.61%	0.72%
2012	1.02%	3.20%	3.75%	1.87%
2013	1.52%	1.50%	1.08%	1.45%
2014	3.89%	1.07%	0.91%	3.01%
LTM Jun 15	1.23%	0.74%	1.26%	1.16%
Average:	1.95%	2.29%	3.70%	2.67%

Source: Credit Suisse

Exhibit 95: Leveraged Loan Recovery Rates by Size of Facility

	\$500MM and Over	\$300MM to \$500MM	Below \$300MM	Overall
1995			94.00%	94.00%
1996			56.92%	56.92%
1997			78.00%	78.00%
1998			73.58%	73.58%
1999	30.00%		53.81%	51.17%
2000	43.42%	40.40%	58.57%	56.75%
2001	27.86%	31.69%	66.47%	57.09%
2002	53.88%	74.69%	61.94%	62.59%
2003	20.00%	75.01%	67.48%	66.97%
2004		97.50%	82.33%	83.41%
2005	91.75%	97.05%	82.26%	86.09%
2006			66.08%	66.08%
2007	91.27%		88.36%	88.63%
2008	59.62%	49.14%	54.07%	53.65%
2009	60.68%	46.67%	35.76%	43.18%
2010	63.36%	54.20%	47.47%	50.54%
2011	93.62%	58.19%	51.34%	55.44%
2012	51.28%	70.24%	53.48%	56.78%
2013	67.28%	71.50%	55.55%	64.67%
2014	77.46%	65.79%	40.57%	57.91%
LTM Jun 15	75.18%	63.49%	52.73%	63.14%
Average:	60.45%	63.97%	62.89%	65.08%

Source: Credit Suisse

By Covenant Package

Exhibit 96: Annual Leveraged Loan Default Rates by Covenant Package

	Cov-Lite	Full Covenants	Overall
1995		0.45%	0.45%
1996		1.32%	1.32%
1997		0.55%	0.55%
1998		0.85%	0.85%
1999		2.50%	2.50%
2000		5.29%	5.29%
2001		6.84%	6.84%
2002		8.10%	8.10%
2003	0.00%	3.83%	3.82%
2004	0.00%	1.01%	1.01%
2005	0.00%	1.56%	1.55%
2006	0.00%	0.39%	0.37%
2007	0.00%	0.27%	0.23%
2008	0.61%	3.40%	2.91%
2009	5.48%	10.35%	9.57%
2010	1.70%	2.69%	2.54%
2011	0.00%	0.86%	0.72%
2012	2.20%	1.78%	1.87%
2013	0.53%	1.94%	1.45%
2014	0.31%	5.88%	3.01%
LTM Jun 15	0.45%	2.15%	1.16%
Average:	1.02%	2.84%	2.67%

Source: Credit Suisse

Exhibit 97: Leveraged Loan Recovery Rates by Covenant Package

	Cov-Lite	Full Covenants	Overall
1995			94.00%
1996			56.92%
1997			78.00%
1998			73.58%
1999			51.17%
2000		56.75%	56.75%
2001		57.09%	57.09%
2002		62.59%	62.59%
2003		66.97%	66.97%
2004		83.41%	83.41%
2005		86.09%	86.09%
2006		66.08%	66.08%
2007		88.63%	88.63%
2008	34.80%	54.44%	53.65%
2009	38.16%	43.74%	43.18%
2010	23.35%	54.28%	50.54%
2011		55.44%	55.44%
2012	43.79%	60.81%	56.78%
2013	57.84%	66.24%	64.67%
2014	50.18%	59.84%	57.91%
LTM Jun 15	54.35%	66.34%	63.14%
Average:	43.21%	63.81%	65.08%

Source: Credit Suisse

Exhibit 98: Institutional Leveraged Loan Defaults: LTM June 2015

Default Date	Issuance Date	Issuer	Facility	Seniority	Coupon Spread	Default Amt	Maturity	Industry	Original Rating	Cov-Lite
7/21/2014	11/29/2012	IAP Worldwide Services	TLb	FIRST LIEN	850	320.0	12/31/2015	AEROSPACE	NR	No
8/5/2014	4/2/2007	Entegra Power Group	TLb	THIRD LIEN	600	850.0	10/2/2015	UTILITY	B	Yes
10/23/2014	3/31/2010	CCS Acquisition	TL	FIRST LIEN	600	150.0	3/31/2015	HEALTHCARE	NR	No
11/17/2014	12/6/2010	Education Management	TLc	FIRST LIEN	400	732.0	6/17/2016	SERVICE	BB	No
11/17/2014	3/29/2012	Education Management	TLc	FIRST LIEN	700	341.0	3/29/2018	SERVICE	Split BB	No
1/15/2015	9/22/2009	Caesars Operating	TLb	FIRST LIEN	850	376.0	10/31/2016	GAMING/LEISURE	Split B	No
1/15/2015	5/17/2011	Caesars Operating	TLb	FIRST LIEN	575	938.0	3/1/2017	GAMING/LEISURE	NR	No
1/15/2015	2/10/2012	Caesars Operating	TLb	FIRST LIEN	675	2299.0	3/1/2017	GAMING/LEISURE	B	No
1/15/2015	5/14/2014	Caesars Entertainment Operating	TLb	FIRST LIEN	875	1746.0	3/1/2017	GAMING/LEISURE	CCC/Split CCC	No
2/8/2015	6/30/2014	Altegrity	TLb	FIRST LIEN	825	275.0	6/30/2019	SERVICE	B	No
3/17/2015	6/12/2013	Quicksilver Resources	TLd	SECOND LIEN	575	625.0	6/12/2019	ENERGY	Split B	Yes
4/8/2015	4/22/2013	EveryWare	TLb	FIRST LIEN	650	248.0	4/22/2020	CONSUMER DURABLES	B	No
5/12/2015	12/11/2013	Patriot Coal	TLb	FIRST LIEN	800	250.0	12/18/2018	METALS/MINERALS	B	No
5/21/2015	1/16/2013	Sabine Oil & Gas	TLd	SECOND LIEN	750	650.0	12/31/2018	ENERGY	Split B	Yes
6/9/2015	10/2/2012	Boomerang Tube	TLb	FIRST LIEN	950	214.0	10/2/2017	MANUFACTURING	NR	Yes
6/9/2015	12/17/2013	Edmentum	TLb	FIRST LIEN	450	221.0	5/17/2018	MEDIA/TELECOM	BB	No
6/9/2015	5/9/2012	Plato Learning	TLd	SECOND LIEN	975	140.0	5/9/2019	MEDIA/TELECOM	CCC/Split CCC	No

Source: Credit Suisse

2Q15 European High Yield Defaults

The Western European high yield default rate decreased 7 bp, to 0.86% for LTM June 2015 from 0.93% at the end of previous quarter. There were 14 bonds from 7 companies that defaulted in the past 12 months with a face value of €3.8 billion.

Only one default occurred during the second quarter, for a total face value of €223 million. The average recovery rate (calculated using the price on the day of default) decreased 284 bp, to 49.47% for the 12-month period ended June 2015 from 52.31% at the end of previous quarter.

Exhibit 99: US High Yield versus European High Yield Default Rates

	European High Yield Default Rate	US High Yield Default Rate
1998	2.35%	1.38%
1999	2.60%	4.08%
2000	1.20%	4.54%
2001	17.28%	9.20%
2002	33.91%	15.45%
2003	12.43%	4.32%
2004	1.97%	1.26%
2005	0.97%	2.64%
2006	0.53%	0.73%
2007	1.00%	0.49%
2008	1.60%	5.46%
2009	6.56%	9.37%
2010	1.06%	1.56%
2011	3.20%	1.82%
2012	0.97%	1.72%
2013	0.70%	0.91%
2014	1.02%	2.09%
LTM Jun 15	0.86%	2.06%

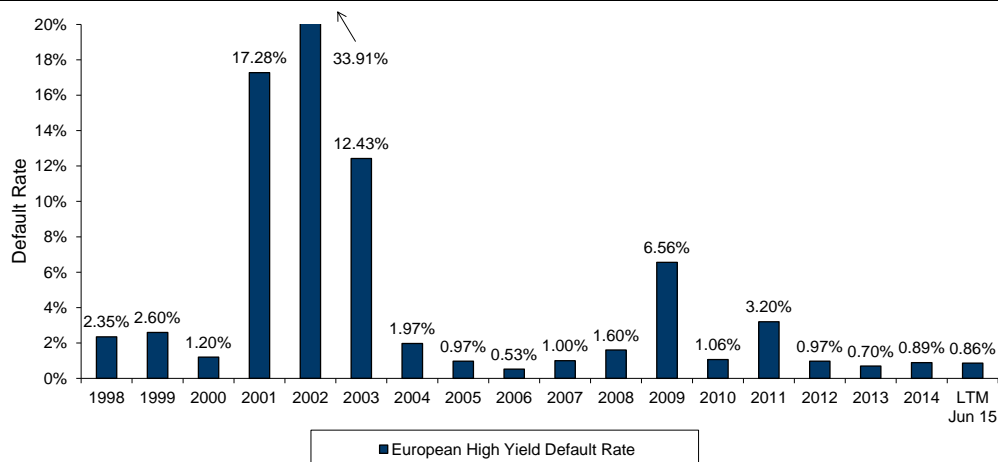
Source: Credit Suisse

Exhibit 100: Historical and Projected Default Rates

Default Rate Summary	Actual 2014	LTM June-15	Projected 2015	Projected 2016
US High Yield Bonds	2.09%	2.06%	1% - 3%	1% - 3%
US Leveraged Loans	3.01%	1.16%	1% - 2%	1% - 3%
W. European High Yield (Hedged in €)	0.89%	0.86%	0% - 1%	0.5% - 2%
W. European Lev. Loans (Hedged in €)	3.41%	1.31%	1% - 3%	1% - 3%

Source: Credit Suisse

Exhibit 101: Annual Western European High Yield Default Rates



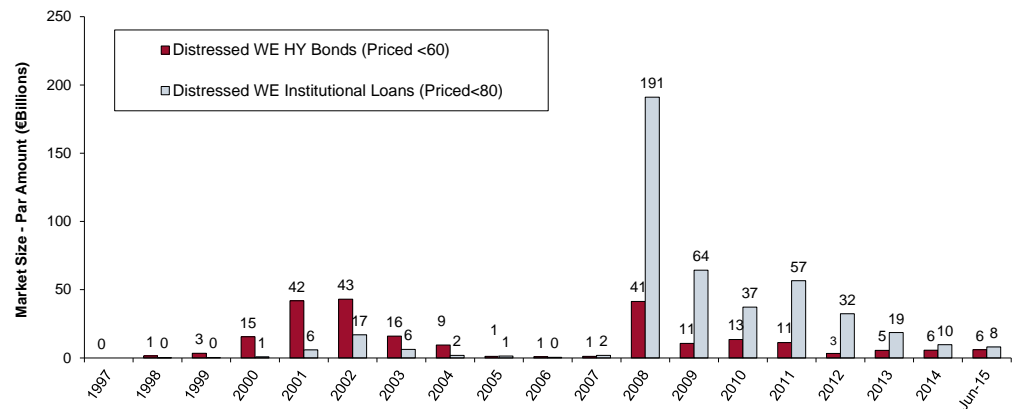
Source: Credit Suisse

Exhibit 102: Annual Western European High Yield Default Summary

Year	Defaulted Amount (€Billion)	Avg Default Loss Rate	Avg Principal Loss Rate	Avg Recovery Rate	Default Rate
1998	0.48	2.00%	81.92%	18.08%	2.35%
1999	0.94	1.88%	66.28%	33.72%	2.60%
2000	0.64	1.02%	80.00%	20.00%	1.20%
2001	11.29	16.29%	89.74%	10.26%	17.28%
2002	26.89	27.44%	76.02%	23.98%	33.91%
2003	10.76	8.00%	60.80%	39.20%	12.43%
2004	1.63	0.57%	25.13%	74.87%	1.97%
2005	0.78	0.51%	47.65%	52.35%	0.97%
2006	0.42	0.33%	57.14%	42.86%	0.53%
2007	0.78	0.58%	52.67%	47.33%	1.00%
2008	1.27	1.26%	74.86%	25.14%	1.60%
2009	6.22	5.25%	75.67%	24.33%	6.56%
2010	1.40	0.82%	72.55%	27.45%	1.06%
2011	5.57	2.37%	68.64%	31.36%	3.20%
2012	2.31	0.48%	45.14%	54.86%	0.97%
2013	2.28	0.38%	49.36%	50.64%	0.70%
2014	3.52	0.54%	56.37%	43.63%	0.89%
LTM Jun 15	3.83	0.47%	50.53%	49.47%	0.86%
Average	4.50	3.90%	62.80%	37.20%	5.00%

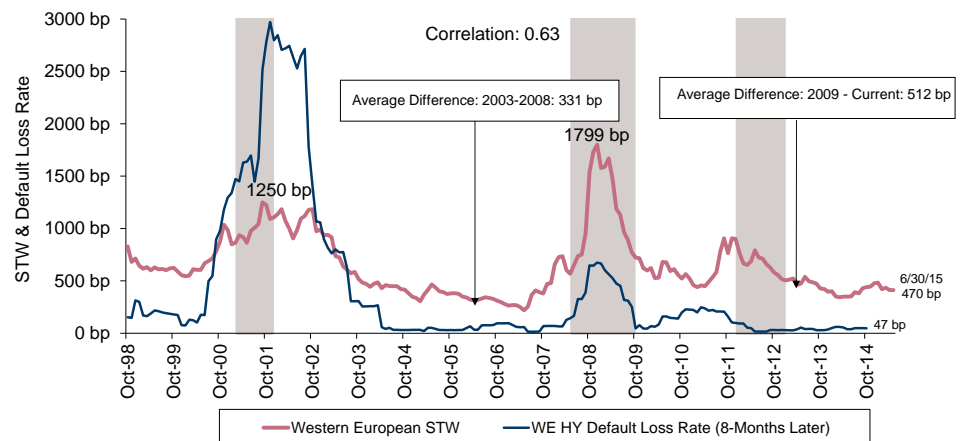
Source: Credit Suisse

Exhibit 103: Size of the Western European Distressed Debt Markets (by Price Break): 1997 – June 2015



Source: Credit Suisse

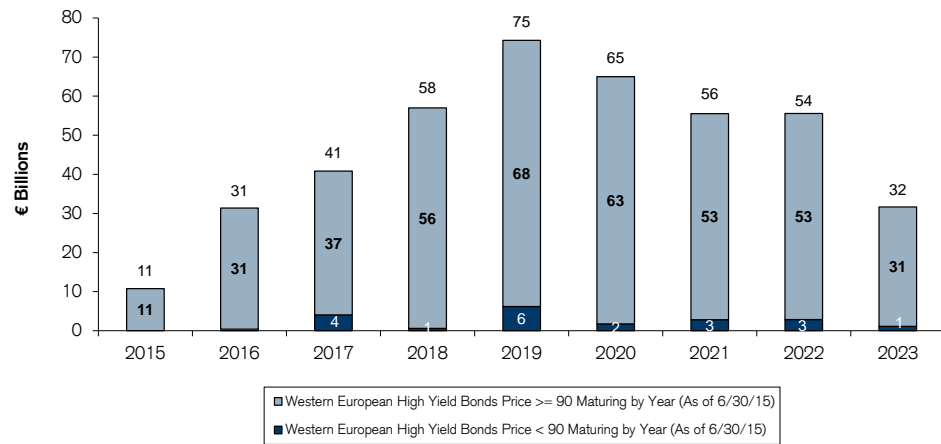
Exhibit 104: Western European High Yield Default Loss Rate vs. Spread to Worst: 1998 – June 2015



Source: Credit Suisse

There are €83 billion of high yield bonds maturing by the end of 2017. €3 billion of these are currently priced below 90.

Exhibit 105: Western European High Yield Bonds Maturing by Year (Par Amount): as of June 2015



Source: Credit Suisse

Industry

Exhibit 106: Default Rates Over Time by Industry: 1998 – LTM June 2015

	Aerospace	Chemical	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
1998		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%
1999	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%	0.0%	0.0%	0.0%	13.3%		2.6%
2000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	36.1%	0.0%	7.0%	0.0%	0.0%	0.0%	0.0%	8.5%	0.0%	1.2%
2001	82.2%	4.2%	55.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	0.0%	21.7%	0.0%	0.0%	0.0%	3.3%	66.5%	17.3%
2002	0.0%	0.0%	0.0%	24.3%	0.0%	0.0%	0.0%	0.0%	0.0%	13.2%	0.0%	0.0%	0.0%	3.7%	70.7%	0.0%	0.0%	0.0%	4.4%	28.5%	33.9%
2003	7.6%	4.0%	0.0%	0.0%	35.1%	0.0%	0.0%	80.5%	0.0%	0.0%	0.0%	0.0%	34.6%	0.0%	10.6%	0.0%	0.0%	0.0%	9.0%	4.8%	12.4%
2004	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%	16.2%	2.0%
2005	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.5%	7.3%	1.0%
2006	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%	0.0%	0.0%	0.0%	6.2%	0.0%	0.5%
2007	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	0.0%	0.0%	18.6%	0.0%	10.2%	0.0%	1.0%
2008	0.0%	0.0%		0.0%	0.0%	146.8%	0.0%	0.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%	1.6%
2009	0.0%	11.6%		40.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	15.7%	0.0%	1.0%	0.0%	0.0%	0.0%	26.3%	0.0%	6.6%
2010	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%
2011	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%		0.0%	0.0%	0.0%	4.3%	0.0%	0.0%	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%
2012	0.0%	0.0%	0.0%	0.0%	18.9%	0.6%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.4%	0.0%	1.0%
2013	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	3.7%	0.0%	0.0%	0.7%
2014	0.0%	1.0%	22.3%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%	4.7%	7.2%	1.2%	0.0%	0.0%	0.9%
LTM Jun 15	0.0%	0.0%	0.0%	0.0%	3.2%	1.2%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%	5.9%	0.0%	0.0%	0.0%	0.9%
Average	5.3%	1.2%	6.0%	3.6%	3.2%	10.9%	0.0%	4.5%	0.2%	1.2%	0.2%	2.3%	3.5%	1.1%	6.7%	0.6%	1.8%	0.3%	5.2%	7.3%	5.0%

Source: Credit Suisse

Note: Financial industry default and default loss rates exceed 100% in 2008 because these rates use the average of the par size of the financial sector on 12/31/2007 and 12/31/2008 in the denominator (see “Methodology” in the chapter High Yield Default Review, earlier). The par size of the financial sector on 12/31/2007 was 0. GMAC and Residential Capital were downgraded into the high yield universe in early 2008, comprising the only bonds in the financial sector, and it was a portion of these bonds which defaulted due to distressed exchanges. The denominator was half the face value of the downgraded debt (averaging 0 with the face value). The numerator was the face value of the distressed exchanges, which turned out to be larger than the denominator, resulting in a rate greater than 100%.

Exhibit 107: Default Loss Rates Over Time by Industry: 1998 – LTM June 2015

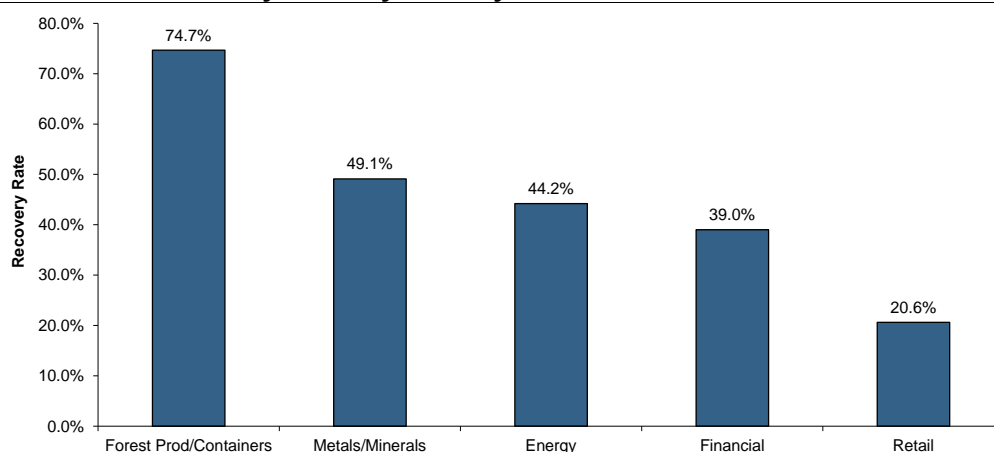
	Aerospace	Chemical	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
1998		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%
1999	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	8.3%	0.0%	1.9%
2000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%	0.0%	6.4%	0.0%	1.0%
2001	72.4%	3.4%	41.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21.0%	0.0%	0.0%	0.0%	3.4%	59.1%	16.3%
2002	0.0%	0.0%	0.0%	17.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.4%	0.0%	0.0%	0.0%	3.4%	59.1%	0.0%	0.0%	0.0%	3.8%	9.4%	27.4%
2003	6.2%	3.3%	0.0%	0.0%	14.1%	0.0%	0.0%	66.9%	0.0%	0.0%	0.0%	0.0%	28.1%	0.0%	5.9%	0.0%	0.0%	0.0%	4.0%	2.8%	8.0%
2004	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	4.6%	0.6%
2005	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	3.9%	0.5%
2006	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	0.0%	0.3%
2007	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	0.0%	5.0%	0.0%	0.6%
2008	0.0%	0.0%		0.0%		102.5%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	0.0%	1.3%
2009	0.0%	10.5%		29.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	12.6%	0.0%	0.7%	0.0%	0.0%	0.0%	20.5%	0.0%	5.3%
2010	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
2011	0.0%	0.0%	0.0%	0.0%	0.0%	15.3%		0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%
2012	0.0%	0.0%	0.0%	0.0%	13.7%	0.2%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.1%	0.0%	0.5%
2013	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.4%
2014	0.0%	0.3%	10.8%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	6.0%	0.6%	0.0%	0.0%	0.5%
LTM Jun 15	0.0%	0.0%	0.0%	0.0%	2.0%	0.8%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	5.0%	0.0%	0.0%	0.0%	0.5%
Average	4.6%	1.0%	4.0%	2.6%	1.7%	7.7%	0.0%	3.7%	0.1%	0.7%	0.1%	0.3%	2.5%	0.6%	5.6%	0.4%	1.4%	0.1%	3.5%	4.7%	3.9%

Source: Credit Suisse

Exhibit 108: LTM June 2015 Defaults by Industry Summary Table

	Number of Defaulted Issues	Industry	Average Years to Default	Average Coupon Payment	Recovery Rate	Average Loss of Principal	Defaulted Amount (€ millions)	Default Rate	Default Loss of Principal	Default Loss of Coupon	Overall Default Loss Rate
0		Aerospace					0	0.00%	0.00%	0.00%	0.00%
0		Chemicals					0	0.00%	0.00%	0.00%	0.00%
0		Consumer Durables					0	0.00%			
0		Consumer Non-Durables					0	0.00%	0.00%	0.00%	0.00%
2		Energy	3.6	11.50%	44.22%	55.78%	626	3.25%	1.81%	0.19%	2.00%
3		Financial	3.2	8.08%	38.99%	61.01%	921	1.15%	0.70%	0.05%	0.75%
0		Food And Drug									
0		Food/Tobacco					0	0.00%	0.00%	0.00%	0.00%
4		Forest Prod/Containers	8.6	8.00%	74.68%	25.32%	459	2.07%	0.52%	0.08%	0.61%
0		Gaming/Leisure					0	0.00%	0.00%	0.00%	0.00%
0		Healthcare					0	0.00%	0.00%	0.00%	0.00%
0		Housing					0	0.00%	0.00%	0.00%	0.00%
0		Information Technology					0	0.00%	0.00%	0.00%	0.00%
0		Manufacturing					0	0.00%	0.00%	0.00%	0.00%
0		Media/Telecom					0	0.00%	0.00%	0.00%	0.00%
3		Metals/Minerals	3.3	7.88%	49.10%	50.90%	1,026	5.93%	3.02%	0.23%	3.25%
2		Retail	2.2	9.75%	20.60%	79.40%	797	5.91%	4.69%	0.29%	4.98%
0		Service					0	0.00%	0.00%	0.00%	0.00%
0		Transportation					0	0.00%	0.00%	0.00%	0.00%
0		Utility					0	0.00%	0.00%	0.00%	0.00%
14		Overall	4.7	8.74%	49.47%	50.53%	3,829	0.86%	0.44%	0.04%	0.47%

Source: Credit Suisse

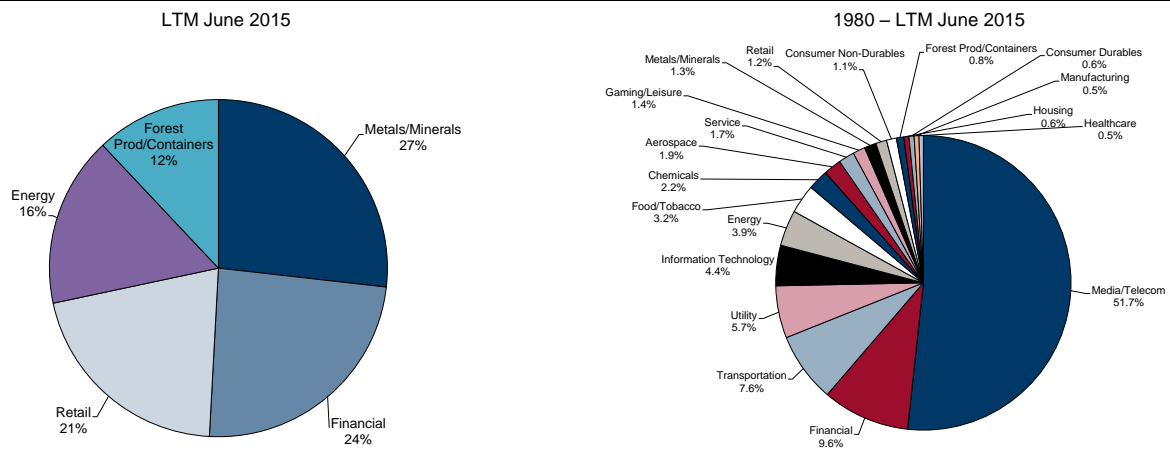
Exhibit 109: Recovery Rates by Industry: LTM June 2015

Source: Credit Suisse

Exhibit 110: Principal Loss Rates and Recovery Rates by Industry: 1998 –LTM June 2015

Industry	Default Rate	Average Principal Loss Rate	Average Recovery Rate	Average Default Loss Rate
Aerospace	5.28%	81.31%	18.69%	4.62%
Chemicals	1.16%	64.69%	35.31%	0.97%
Consumer Durables	5.96%	56.72%	43.28%	4.05%
Consumer Non-Durables	3.58%	66.40%	33.60%	2.55%
Energy	3.17%	53.75%	46.25%	1.65%
Financial	10.92%	58.66%	41.34%	7.64%
Food and Drug	0.00%			0.00%
Food/Tobacco	4.47%	80.63%	19.37%	3.72%
Forest Prod/Containers	0.24%	56.16%	43.84%	0.15%
Gaming/Leisure	1.16%	55.70%	44.30%	0.74%
Healthcare	0.24%	40.78%	59.22%	0.11%
Housing	2.29%	95.50%	4.50%	0.29%
Information Technology	3.53%	69.92%	30.08%	2.46%
Manufacturing	1.09%	87.50%	12.50%	0.59%
Media/Telecom	6.70%	69.62%	30.38%	5.56%
Metals/Minerals	0.34%	43.92%	56.08%	0.20%
Retail	1.43%	74.70%	25.30%	1.11%
Service	0.27%	38.23%	61.77%	0.12%
Transportation	5.25%	61.22%	38.78%	3.52%
Utility	7.25%	48.13%	51.87%	4.69%
Unweighted Average	3.22%	63.34%	36.66%	2.24%

Source: Credit Suisse

Exhibit 111: Defaulted Debt by Industry, Weighted by Par Amount

Source: Credit Suisse

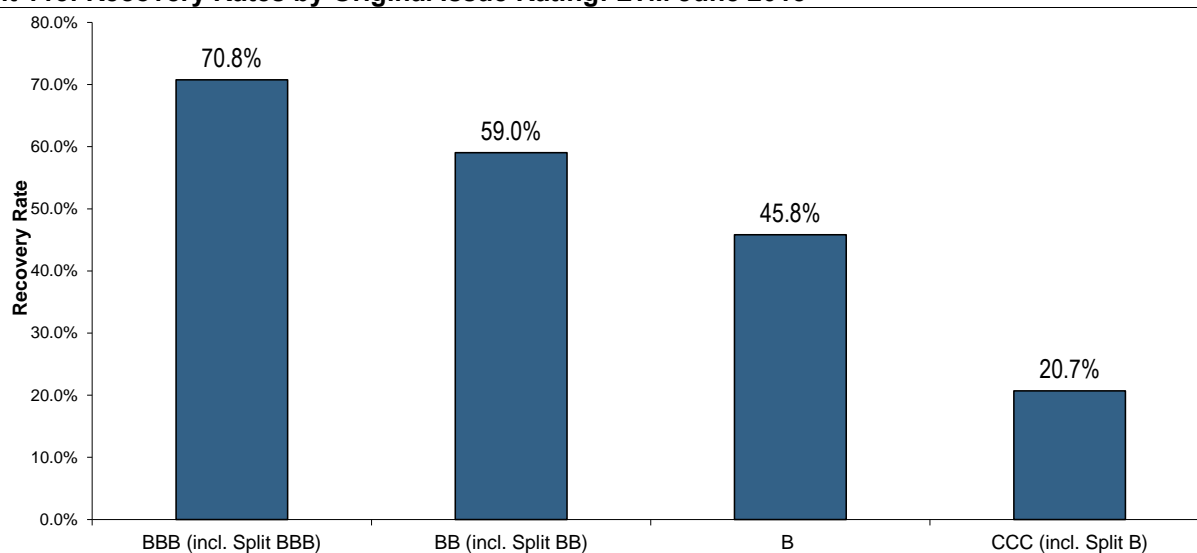
Original Issue Rating

Exhibit 112: LTM June 2015 Defaults by Original Issue Rating Summary Table

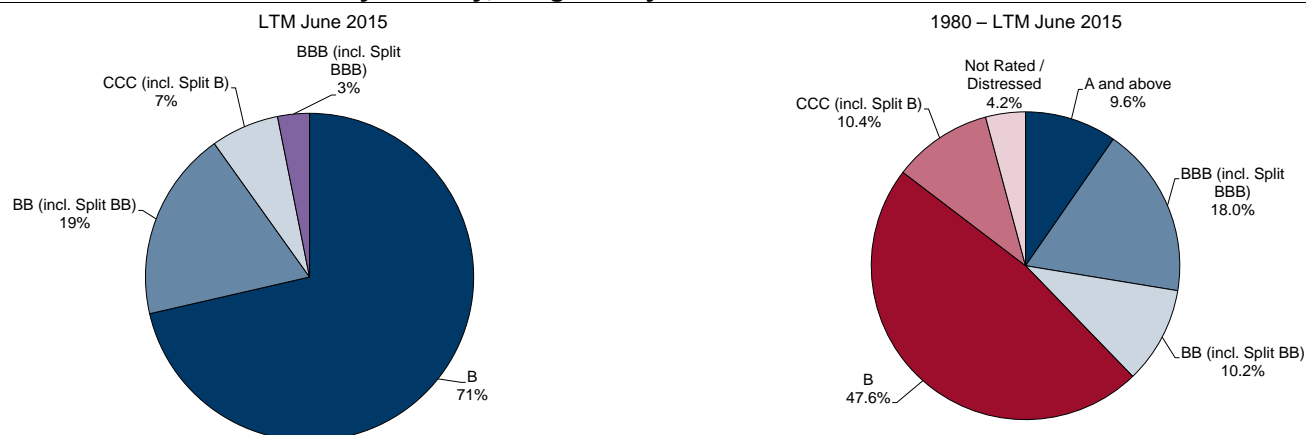
Number of Defaulted Issues	Rating	Average Years to Default	Average Coupon Payment	Recovery Rate	Average Loss of Principal	Defaulted Amount (€ millions)	Default Rate	Default Loss of Principal	Default Loss of Coupon	Overall Default Loss Rate
0	A and above					0	0.00%	0.00%	0.00%	0.00%
2	BBB (incl. Split BBB)	11.4	6.63%	70.76%	29.24%	120	0.01%	0.00%	0.00%	0.00%
2	BB (incl. Split BB)	6.1	7.44%	59.04%	40.96%	718	0.42%	0.17%	0.02%	0.19%
9	B	3.3	9.36%	45.81%	54.19%	2,734	1.95%	1.05%	0.09%	1.15%
1	CCC (incl. Split B)	1.0	10.00%	20.71%	79.29%	257	0.63%	0.50%	0.03%	0.53%
0	Not Rated / Distressed					0	0.00%	0.00%	0.00%	0.00%
14	Overall	4.7	8.74%	49.47%	50.53%	3,829	0.86%	0.44%	0.04%	0.47%

Source: Credit Suisse

Exhibit 113: Recovery Rates by Original Issue Rating: LTM June 2015



Source: Credit Suisse

Exhibit 114: Defaulted Debt by Industry, Weighted by Par Amount

Source: Credit Suisse

Exhibit 115: Default and Default Loss Rates by Original-Issue Rating: 1998 – LTM June 2015

Default Rates by Rating						Default Loss Rates by Rating						
Year	BBB	BB	B	CCC	Not Rated	Year	BBB	BB	B	CCC	Not Rated	B vs. BB
1998	0.00%	0.00%	0.00%	0.00%	24.89%	1998	0.00%	0.00%	0.00%	0.00%	21.23%	0.00%
1999	0.00%	2.06%	1.12%	12.78%	0.00%	1999	0.00%	1.47%	0.65%	11.19%	0.00%	-0.83%
2000	0.81%	0.00%	0.57%	3.86%	0.00%	2000	0.00%	0.00%	0.49%	0.00%	0.00%	0.49%
2001	0.36%	0.77%	13.68%	59.63%	56.13%	2001	0.32%	0.00%	12.89%	57.38%	52.19%	12.89%
2002	0.16%	26.03%	45.99%	39.27%	23.33%	2002	0.15%	16.85%	37.36%	37.01%	18.31%	20.51%
2003	1.92%	4.46%	9.62%	0.00%	0.00%	2003	1.29%	3.12%	5.65%	0.00%	0.00%	2.53%
2004	0.17%	0.00%	0.76%	0.00%	0.00%	2004	0.01%	0.00%	0.24%	0.00%	0.00%	0.24%
2005	0.27%	0.92%	0.42%	0.00%	0.00%	2005	0.14%	0.48%	0.22%	0.00%	0.00%	-0.26%
2006	0.00%	0.00%	0.51%	1.89%	0.00%	2006	0.00%	0.00%	0.32%	1.16%	0.00%	0.32%
2007	0.00%	0.00%	2.00%	0.00%	0.00%	2007	0.00%	0.00%	1.16%	0.00%	0.00%	1.16%
2008	0.44%	0.19%	0.51%	1.62%	0.00%	2008	0.33%	0.10%	0.47%	1.60%	0.00%	0.37%
2009	1.15%	0.83%	5.87%	5.61%	6.74%	2009	0.83%	0.68%	4.60%	5.33%	4.56%	3.92%
2010	0.00%	0.00%	0.77%	7.99%	0.00%	2010	0.00%	0.00%	0.79%	8.04%	0.00%	0.79%
2011	0.00%	0.00%	2.75%	0.00%	0.00%	2011	0.00%	0.00%	1.69%	0.00%	0.00%	1.69%
2012	0.03%	1.56%	1.19%	0.00%	0.00%	2012	0.02%	0.93%	0.40%	0.00%	0.00%	-0.53%
2013	0.09%	0.29%	0.00%	4.55%	0.68%	2013	0.06%	0.10%	0.00%	1.87%	0.00%	-0.10%
2014	0.00%	0.35%	1.90%	1.86%	0.00%	2014	0.00%	0.17%	1.25%	0.99%	0.00%	1.08%
LTM Jun 15	0.01%	0.42%	1.95%	0.63%	0.00%	LTM Jun 15	0.00%	0.19%	1.15%	0.53%	0.00%	0.96%
Average	0.30%	2.10%	4.98%	7.76%	6.21%	Average	0.18%	1.34%	3.85%	6.95%	5.35%	2.51%

Source: Credit Suisse

Exhibit 116: Recovery Rates by Original-Issue Rating: 1998 – LTM June 2015

Recovery Rates by Rating					
Year	BBB	BB	B	CCC	Not Rated
1998					18.08%
1999		33.19%	47.70%	20.00%	
2000			20.00%		
2001	15.06%		10.99%	7.18%	11.26%
2002	13.00%	39.94%	23.56%	11.68%	27.79%
2003	35.90%	35.17%	44.90%		
2004	95.18%		74.00%		
2005	51.21%	53.00%	54.00%		
2006			42.50%	43.57%	
2007			47.33%		
2008	29.67%	50.63%	13.00%	5.79%	
2009	31.82%	21.63%	26.15%	10.00%	35.21%
2010			2.00%	3.75%	
2011			43.31%		
2012	50.33%	43.87%	71.02%		
2013	29.47%	70.55%		65.19%	
2014		54.11%	38.44%	52.24%	
LTM Jun 15	70.76%	59.04%	45.81%	20.71%	
Average	42.24%	46.11%	37.80%	24.01%	23.08%

Source: Credit Suisse

Exhibit 117: LTM June 2015 Western European High Yield Defaults

Date of Default	Issuer	Coupon	Maturity	Bond Type	Industry	Original Rating	Currency	Defaulted Amount (€MM)	Principal Loss Rate	Recovery Rate
8/15/2014	New World Resources	7.875	1/15/2021	Sr Nts	METALS/MINERALS	B	EUR	275.0	83.80%	16.20%
9/15/2014	Phones4U Finance	9.500	4/1/2018	Sr Sec Nts	RETAIL	B	GBP	539.4	79.50%	20.50%
9/15/2014	Phones4U Finance	10.000	4/1/2019	Sr PIK Toggle Nt	RETAIL	CCC/Split CCC	GBP	257.2	79.29%	20.71%
10/7/2014	New World Resources	7.875	5/1/2018	Sr Sec Nts	METALS/MINERALS	BB	EUR	500.0	45.90%	54.11%
10/9/2014	Espirito Santo Financiere	5.250	6/12/2015	Sr Nts	FINANCIAL	B	EUR	200.0	86.03%	13.97%
2/20/2015	Ferrexpo Finance	7.875	4/7/2016	Sr Nts	METALS/MINERALS	B	USD	251.0	23.00%	77.00%
2/23/2015	Norske Skogindustrier	6.125	10/15/2015	Sr Nts	FOREST PROD/CON	BBB	USD	36.1	4.62%	95.38%
2/23/2015	Norske Skogindustrier	7.125	10/15/2033	Sr Nts	FOREST PROD/CON	BBB	USD	83.7	53.86%	46.14%
2/23/2015	Norske Skogindustrier	7.000	6/26/2017	Sr Nts	FOREST PROD/CON	BB	EUR	218.1	36.02%	63.98%
2/23/2015	Norske Skogindustrier	11.750	6/15/2016	Sr Nts	FOREST PROD/CON	B	EUR	121.4	6.80%	93.20%
3/3/2015	Afren	11.500	2/1/2016	Sr Sec Nts	ENERGY	B	USD	402.7	55.57%	44.43%
3/6/2015	Towergate Finance	8.500	2/15/2018	Sr Sec Nts	FINANCIAL	B	GBP	319.0	1.50%	98.50%
3/6/2015	Towergate Finance	10.500	2/15/2019	Sr Nts	FINANCIAL	B	GBP	402.2	95.50%	4.50%
5/8/2015	Afren	11.500	2/1/2016	Sr Sec Nts	ENERGY	B	USD	223.0	56.00%	44.00%

Source: Credit Suisse

2Q15 European Institutional Leveraged Loan Defaults

The Western European institutional leveraged loan default rate increased 3 bp, to 1.31% for LTM June 2015 from 1.28% at the end of the first quarter. There were five loans from three companies that defaulted in the past 12 months with a face value of €1.9 billion. However, those defaults occurred in 2014, with the last one in October. Since then, we have not observed any European institutional loan defaults.

The average recovery rate (calculated using the price on the day of default) remained unchanged at 53.3% for LTM June 2015.

Exhibit 118: European Leveraged Loan versus US Leveraged Loan Default Rates

	West. Euro. Leveraged Loan Default Rate	US Leveraged Loan Default Rate
2000	1.43%	5.29%
2001	16.05%	6.84%
2002	47.00%	8.10%
2003	1.07%	3.82%
2004	2.32%	1.01%
2005	0.83%	1.55%
2006	1.81%	0.37%
2007	0.09%	0.23%
2008	2.15%	2.91%
2009	6.79%	9.57%
2010	4.57%	2.54%
2011	0.95%	0.72%
2012	7.72%	1.87%
2013	3.29%	1.45%
2014	3.41%	3.01%
LTM Jun 15	1.31%	1.16%
Average	6.30%	3.15%

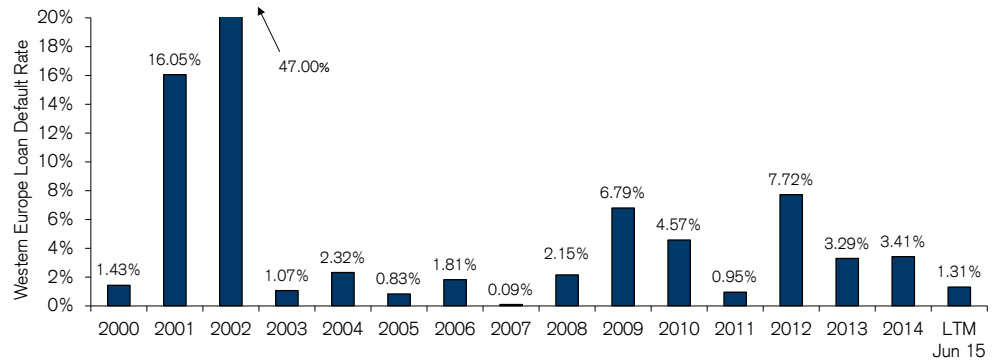
Source: Credit Suisse

Exhibit 119: Historical and Projected Default Rates

Default Rate Summary	Actual 2014	LTM June-15	Projected 2015	Projected 2016
US High Yield Bonds	2.09%	2.06%	1% - 3%	1% - 3%
US Leveraged Loans	3.01%	1.16%	1% - 2%	1% - 3%
W. European High Yield (Hedged in €)	0.89%	0.86%	0% - 1%	0.5% - 2%
W. European Lev. Loans (Hedged in €)	3.41%	1.31%	1% - 3%	1% - 3%

Source: Credit Suisse

Exhibit 120: Annual Western European Leveraged Loan Default Rates: 2000 – LTM June 2015



Defaulted loans defined as missed coupon, filed for bankruptcy, entered administration, distressed exchange, or cross-defaults.
*Institutional includes TL-b, TL-c, TL-d, delayed-draw and other tranches generally held by institutional investors

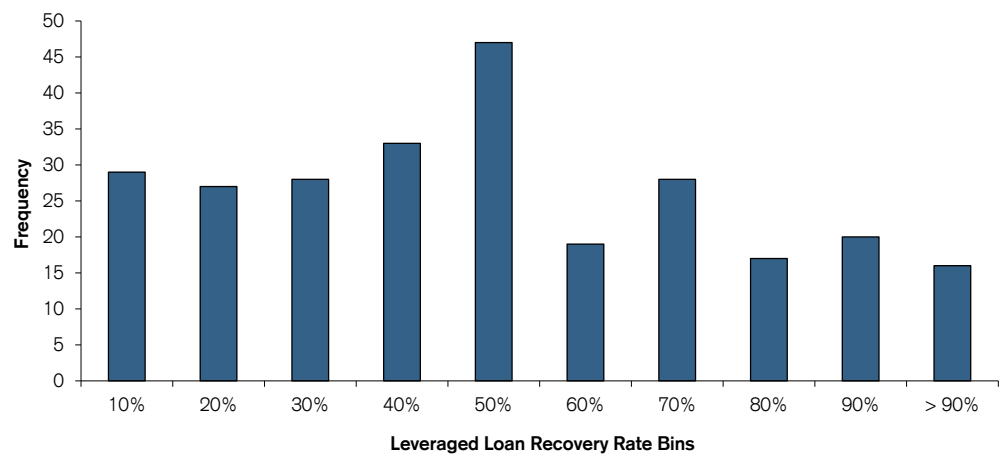
Source: Credit Suisse

Exhibit 121: Annual Western European Leveraged Loan Default Rates: 2000 – LTM June 2015

	Defaulted Amount (€mm)	Market Size (€mm)	Market Size Midpoint (€mm)	Annual Default Rate	Average Recovery Rate	Average Default Loss Rate
1999		€ 7,198				
2000	€ 133	€ 11,430	€ 9,314	1.43%	72.00%	0.40%
2001	€ 2,206	€ 16,058	€ 13,744	16.05%	78.25%	3.49%
2002	€ 8,822	€ 21,478	€ 18,768	47.00%	70.57%	13.84%
2003	€ 255	€ 26,400	€ 23,939	1.07%	70.00%	0.32%
2004	€ 759	€ 39,020	€ 32,710	2.32%	84.25%	0.37%
2005	€ 495	€ 80,600	€ 59,810	0.83%	60.62%	0.33%
2006	€ 1,986	€ 138,303	€ 109,452	1.81%	64.54%	0.64%
2007	€ 155	€ 206,978	€ 172,641	0.09%	98.62%	0.00%
2008	€ 4,621	€ 223,197	€ 215,088	2.15%	31.20%	1.48%
2009	€ 14,820	€ 213,343	€ 218,270	6.79%	32.36%	4.59%
2010	€ 9,197	€ 188,859	€ 201,101	4.57%	62.93%	1.70%
2011	€ 1,703	€ 168,320	€ 178,589	0.95%	36.62%	0.60%
2012	€ 12,182	€ 147,235	€ 157,778	7.72%	45.78%	4.19%
2013	€ 4,798	€ 144,312	€ 145,774	3.29%	40.41%	1.96%
2014	€ 4,922	€ 144,051	€ 144,182	3.41%	52.70%	1.61%
LTM Jun 15	€ 1,895	€ 156,930	€ 145,154	1.31%	53.30%	0.61%

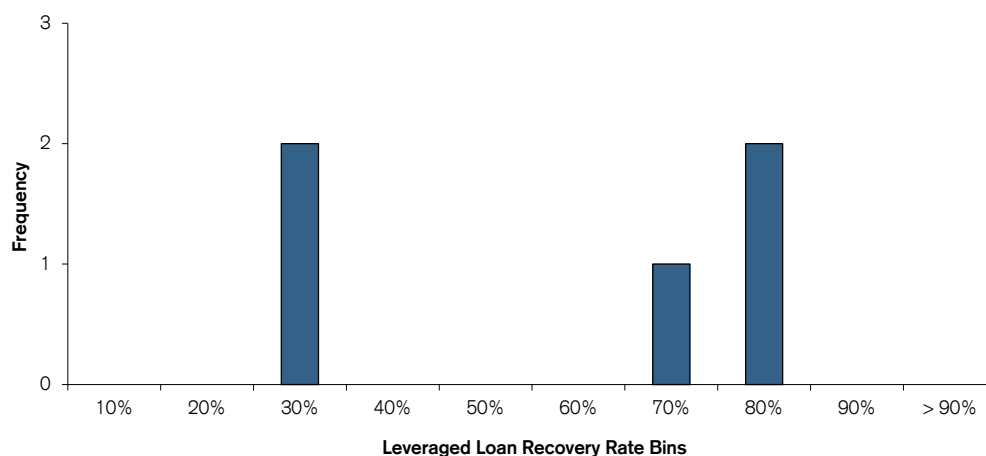
Source: Credit Suisse

Exhibit 122: Distribution of Western Euro Lev Loan Default Recovery Rates, 2000 – 2015



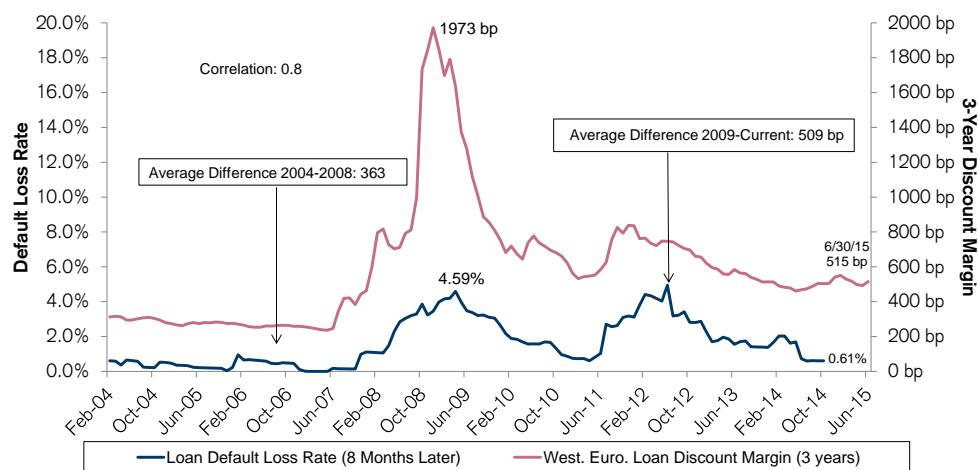
Source: Credit Suisse

Exhibit 123: Distribution of Western Euro Lev Loan Default Recovery Rates, LTM June 2015



Source: Credit Suisse

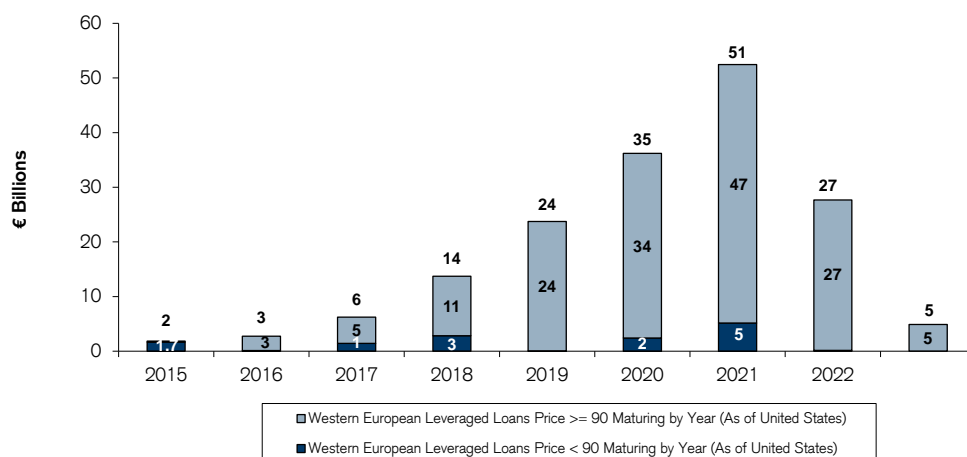
Exhibit 124: Western European Leveraged Loan Default Loss Rate vs. 3-Year Discount Margin



Source: Credit Suisse

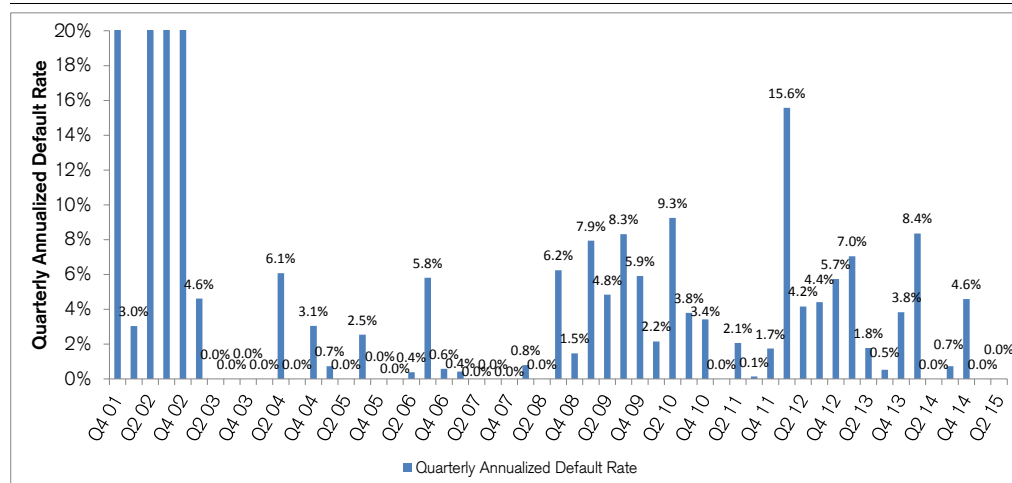
There are €11 billion of leveraged loans maturing by the end of 2017. Of these, €3 billion are currently priced below 90.

Exhibit 125: Western European Leveraged Loans Maturing by Year



Source: Credit Suisse

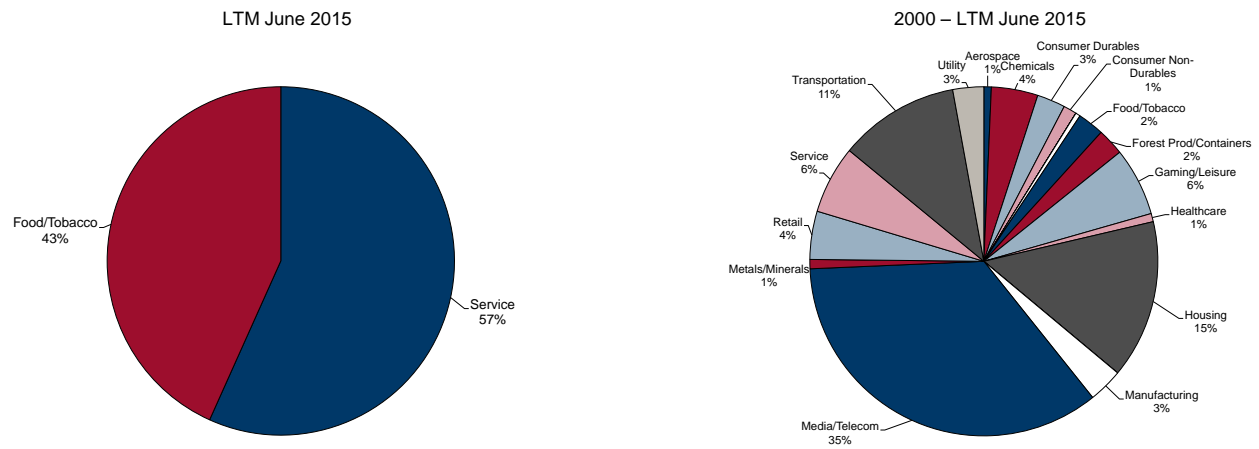
Exhibit 126: Quarterly Western European Leveraged Loan Default Rates, Annualized: 4Q01 – 2Q15



Source: Credit Suisse

Industry

Exhibit 127: Western European Leveraged Loan Defaults by Industry, Par Weight Distribution



Source: Credit Suisse

Exhibit 128: Annual Western European Leveraged Loan Default Rates by Industry

	Aerospace	Chemicals	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
2000		0.00%	0.00%					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	52.32%	0.00%		0.00%	0.00%	0.00%		1.43%
2001		51.42%	0.00%		0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.88%		0.00%	99.86%	0.00%	100.00%	16.05%
2002	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	78.43%		0.00%	0.00%	0.00%	15.06%	47.00%
2003	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	58.15%	0.00%	0.00%	1.07%
2004	26.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	60.86%	0.00%	2.32%
2005	0.00%	0.00%	10.67%	0.00%	0.00%	0.00%	0.00%	0.00%	2.33%	0.00%	0.00%	6.46%	0.00%	0.00%	0.00%	0.00%	2.06%	0.00%	0.00%	0.00%	0.83%
2006	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%	0.00%	0.00%	0.00%	42.36%	0.00%	1.81%
2007	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.05%	0.00%	0.09%
2008	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.95%	0.00%	30.02%	0.00%	0.00%	0.30%	0.00%	0.00%	0.00%	22.66%	0.00%	2.15%
2009	4.81%	7.73%	60.55%	9.64%	0.00%	0.00%	0.00%	0.00%	9.02%	0.00%	0.00%	51.17%	0.00%	1.69%	2.11%	46.98%	1.40%	2.36%	105.46%	0.00%	6.79%
2010	0.00%	11.28%	3.61%	0.00%	0.00%	0.00%	0.00%	3.23%	16.87%	67.13%	1.43%	0.00%	0.00%	3.40%	3.58%	0.00%	2.67%	1.78%	5.51%	0.00%	4.57%
2011	0.00%	0.00%	35.22%	21.05%	0.00%	0.00%	4.93%	1.97%	0.00%	5.58%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.95%
2012	0.00%	1.89%	0.00%	15.18%	0.00%	0.00%	0.00%	0.00%	0.00%	14.67%	0.00%	4.66%	0.00%	8.90%	21.04%		1.40%	0.88%	1.98%	78.48%	7.72%
2013	0.00%	0.00%	0.00%	7.78%	0.00%	0.00%	0.00%	0.00%	0.00%	8.51%	2.39%	9.36%	0.00%	0.00%	5.46%		0.00%	8.32%	0.00%	0.00%	3.29%
2014	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.51%	0.00%	0.00%	0.00%	10.48%	0.00%	0.00%	0.00%		34.27%	6.68%	0.00%	0.00%	3.41%
LTM Jun 15	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	6.25%	0.00%	0.00%	1.31%
Average:	2.23%	4.52%	6.88%	3.83%	0.00%	0.00%	0.35%	1.59%	1.76%	6.30%	0.24%	7.01%	0.00%	4.14%	7.15%	7.83%	2.61%	11.52%	15.12%	12.90%	6.30%

Source: Credit Suisse

Exhibit 129: Annual Western European Leveraged Loan Recovery Rates by Industry

	Aerospace	Chemicals	Consumer Durables	Consumer Non-Durables	Energy	Financial	Food and Drug	Food/Tobacco	Forest Prod/Containers	Gaming/Leisure	Healthcare	Housing	Information Technology	Manufacturing	Media/Telecom	Metals/Minerals	Retail	Service	Transportation	Utility	Overall
2000														72.00%							72.00%
2001		57.00%																		99.50%	78.25%
2002															70.57%						70.57%
2003																		70.00%			70.00%
2004	97.87%																		70.63%		84.25%
2005			50.00%						96.50%			18.00%					78.00%				60.62%
2006															51.56%				90.50%		64.54%
2007																			98.62%		98.62%
2008										35.00%		30.28%			32.50%				29.31%		31.20%
2009	35.00%	22.91%	25.57%	49.50%					49.67%			33.68%		29.81%	38.10%	21.00%		36.80%	31.22%		32.36%
2010		64.14%	39.02%					58.13%	59.73%	77.65%	61.13%			86.07%	44.12%		50.00%	65.19%	24.00%		62.93%
2011			39.03%	70.50%			15.63%	5.93%		34.25%											36.62%
2012				20.00%						70.85%		68.37%		49.12%	42.12%		31.31%	33.58%	47.00%	34.00%	45.78%
2013				23.50%						62.14%	83.16%	35.41%			57.11%			19.41%			40.41%
2014												90.86%					43.55%	40.43%			52.70%
LTM Jun 15								74.37%										48.03%			53.30%
Average:	66.44%	48.02%	38.41%	40.87%					68.63%	55.98%		46.10%		59.25%	48.01%	21.00%	50.72%	44.78%	55.90%	66.75%	59.63%

Source: Credit Suisse

By Loan Priority

Exhibit 130: Western European Leveraged Loan Defaults by Loan Priority, Par Weight Distribution



Source: Credit Suisse

Exhibit 131: Annual Western European Leveraged Loan Default Rates by Loan Priority

	First Lien	Second Lien	Unsecured	Overall
2000	1.43%			1.43%
2001	16.05%			16.05%
2002	47.10%			47.00%
2003	1.08%	0.00%		1.07%
2004	2.00%	24.33%		2.32%
2005	0.87%	0.00%		0.83%
2006	1.97%	0.00%		1.81%
2007	0.00%	0.98%		0.09%
2008	2.24%	0.58%	73.63%	2.15%
2009	6.64%	7.80%	17.53%	6.79%
2010	4.67%	3.97%		4.57%
2011	1.02%	0.39%		0.95%
2012	7.00%	16.78%		7.72%
2013	3.45%	1.00%		3.29%
2014	3.38%	4.71%		3.41%
LTM Jun 15	1.37%	0.00%		1.31%
Average:	6.27%	4.66%	45.58%	6.30%

Source: Credit Suisse

Exhibit 132: Western European Leveraged Loan Recovery Rates by Loan Priority

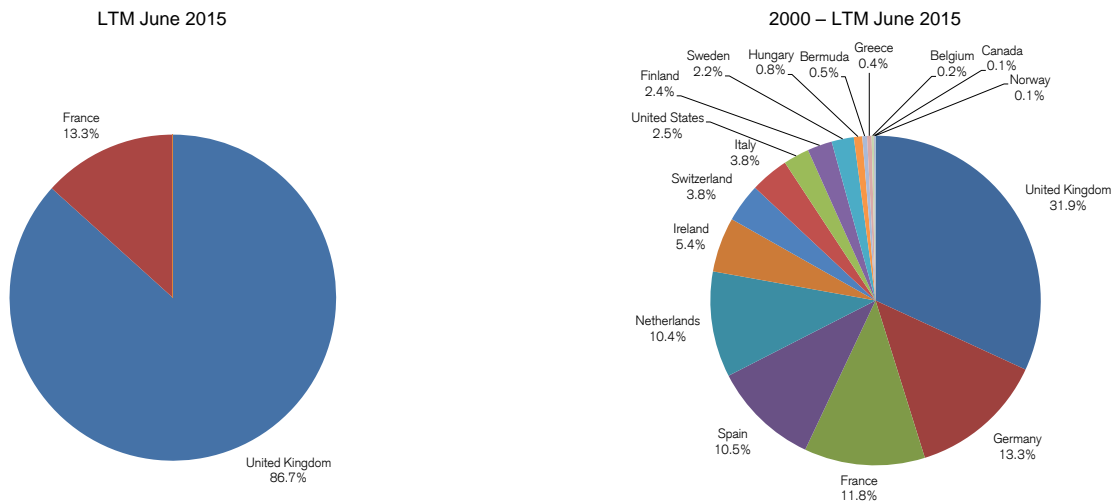
	First Lien	Second Lien	Unsecured	Overall
2000	72.00%			72.00%
2001	78.25%			78.25%
2002	70.57%			70.57%
2003	70.00%			70.00%
2004	70.63%	97.87% *		84.25%
2005	60.62%			60.62%
2006	64.54%			64.54%
2007		98.62% *		98.62%
2008	37.96%	8.66%		31.20%
2009	37.09%	8.84%	25.25%	32.36%
2010	67.08%	42.18%		62.93%
2011	29.99%	102.86% *		36.62%
2012	52.66%	22.56%		45.78%
2013	44.53%	1.25%		40.41%
2014	60.74%	12.54%		52.70%
LTM Jun 15	53.30%			53.30%
Wtd Average:	49.02%	24.52%	25.25%	44.92%

Source: Credit Suisse

* In 2004, 2007 and 2011 there was just one 2nd lien default

By Country

Exhibit 133: Western European Leveraged Loan Defaults by Loan Priority, Par Weight Distribution



Source: Credit Suisse

Exhibit 134: LTM June 2015 Western European Leveraged Loan Defaults

Default Date	Effective Date	Issuer	Facility	Seniority	Coupon Spread	Default Amt	Maturity	Industry	Original Rating	Cov-Lite
9/19/2014	11/7/2007	Alma Consulting Group	TLb	FIRST LIEN	300	126	11/6/2015	SERVICE	NR	No
9/19/2014	11/7/2007	Alma Consulting Group	TLc	FIRST LIEN	350	126	11/7/2016	SERVICE	NR	No
10/10/2014	10/16/2012	Autobar	TLb	FIRST LIEN	500	820	10/16/2019	FOOD/TOBACCO	NR	No
10/15/2014	11/28/2007	PHS	TLc	FIRST LIEN	450	340	7/26/2016	SERVICE	NR	No
10/15/2014	9/13/2012	PHS	TLb	FIRST LIEN	450	311	7/26/2016	SERVICE	NR	No

Source: Credit Suisse

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