



Total/excess return forecasts in HY, IG, leveraged loans

	HY	IG	5yr Trsy	10yr Trsy		Loans	2yr Trsy
Spreads/Yields					Spreads/Yields		
Current	476	129	147	201	Current	515	55
Target	510	130	195	250	Target	500	155
Change	34	1	48	49	Predicted Change	-15	100
Normal HY vs IG Bets = 4:1							
Duration	4.6	6.5	4.8	8.5	Rate Duration	1.0	
Change in Yield	82	49	48	49	Spread Duration	2.7	
Change in Price	-377	-319	-230	-417	Avg Par Coupon	440	
Current Yield	737	421			Libor/Tsy Change	100	
Current Price	100.4	109.2			Total Change in Yield	85	
Default Rate	3.5	0.0			Repricings	-50	
Recovery	40	--			Capital Gain	-110	
Credit Loss	-211	0			Current Yield	440	
Price Return	-5.9	-2.9			Default Rate	3.5	
Total Return	1.5	1.3			Price	99.9	
Excess Return	2.3	2.7			Credit Loss	87	
					Total Return	2.4	

Source: Deutsche Bank