



Relative Index Performance

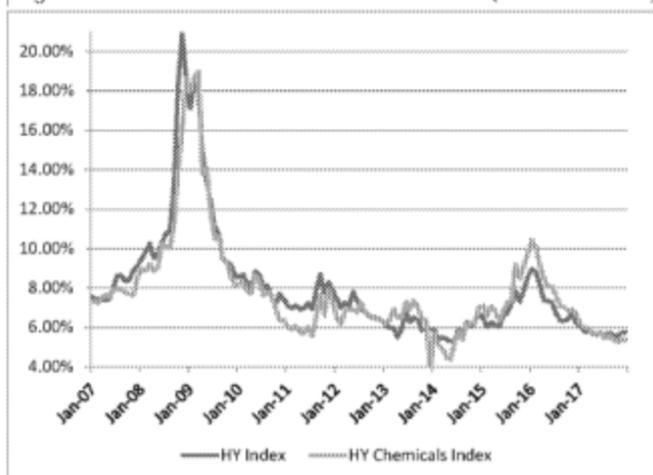
Year-to-date the DB HY Chemicals Index and the DB HY Index returned 10.07% and 7.09%, respectively. That follows modest underperformance by the DB HY Chemicals Index in 2014 and 2015 and strong outperformance in 2016. Current YTW for the Chemicals Index is 5.36% versus 5.75% for the broad HY Index. The current -39 bps differential is 70 bps tight to the average over the past five years and 22 bps tight to the average of the past ten years. Over the past ten years, the differential has generally fallen within -100+100 bps. The differential has tightened since reaching its widest point two years ago when the Chemicals sector repriced when Olin priced its new issuance. This tightening has been led by the outperformance by names including CF Industries, Chemours, Hexion, TPC Group and Tronox (See Figure 18: Chemicals Relative Value - Returns), as the overall market entered a risk-on period. As seen in Figures 2 & 3, the Chemicals sector has tended to correlate closely with movements in the broader Index.

Figure 1: Index Returns

	2013	2014	2015	2016	YTD
DB HY Chemicals Index	9.01%	1.25%	-5.64%	22.83%	10.07%
DB HY Index	7.20%	2.52%	-4.83%	15.57%	7.09%
DB HY BB Index	4.84%	5.37%	-1.49%	11.96%	7.34%
DB HY B Index	7.94%	1.12%	-5.64%	15.94%	5.84%
DB HY CCC Index	13.26%	-2.45%	-13.79%	28.61%	9.50%
Dow Jones Industrial Index	26.50%	7.52%	-2.23%	13.42%	24.74%
S&P 500 Index	29.60%	11.39%	-0.73%	9.54%	19.52%

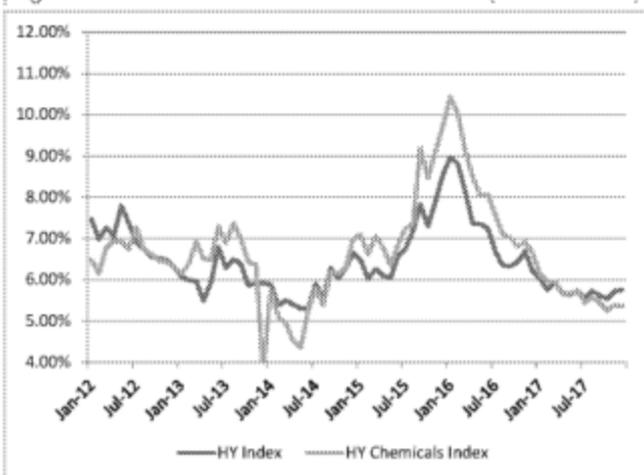
Source: Deutsche Bank, Bloomberg Finance LP
 Note: Based off price appreciation for equity indexes (dividends not reinvested)

Figure 2: YTW HY Chemicals vs. HY Index (Last 10 Years)



Source: Deutsche Bank

Figure 3: YTW HY Chemicals vs. HY Index (Last 5 Years)



Source: Deutsche Bank