Sentiment Survey Q4 2020

Preview Results for Known Participants

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November 2020

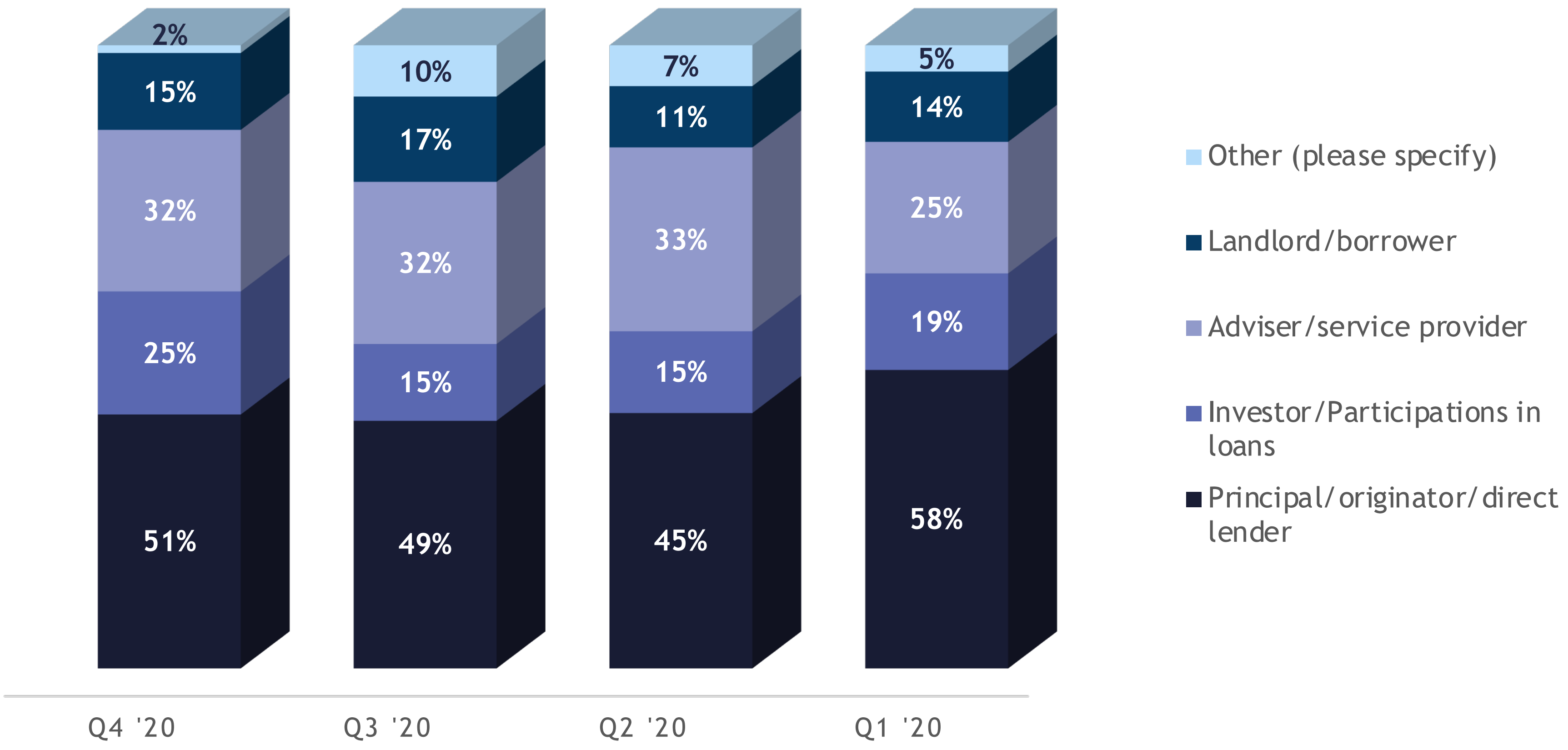
CREFC Europe

Key messages

- The Q4 survey had 67 participants and was live between 27 September and 20 October. Participation rate this quarter was about one third of 200+ individuals invited to respond. As with previous quarters, there was good breadth of types of participants.
- Following the covid-induced shock in Q2 and Q3, views on the UK debt market are more positive, with 50% of respondents assessing the overall UK debt market conditions to be at least moderately better. More positive sentiment about the UK market seems to be particularly underpinned by positive views on volume of new business, availability of debt and to a lesser extent on better pricing/margins.
- The trend towards a more positive sentiment in Q4 seen for UK market conditions is also notable for European market conditions. Excluding those respondents that did not have a view, 48% of respondents viewed market conditions for the European debt market as at least moderately better. As with the UK market, positive views on volume of new business, availability of debt and better pricing/margins are the most significant factors leading to the the positive views on the European market overall.
- The trend towards stricter financial covenants on new loans continues, with LTV levels decreasing and ICRs becoming slightly more demanding across UK and Europe.
- Whilst perceptions on the political environment have worsened as European governments tried to navigate through the pandemic's second wave, negative sentiment about the economic impact and real estate fundamentals may have peaked in Q2/Q3.
- Although negative sentiment about retail and hospitality has turned slightly (mainly with the proportion of those feeling significantly pessimistic reducing), the pattern that has emerged since Q2 remains largely the same – industrial/logistics being the major winner, whilst sentiment for challenged sectors of retail, hospitality, office and student accommodation is more than 50% negative.
- This quarter a new question was introduced asking about views on real estate debt returns expectations compared with other asset classes. As this is a new question, at this stage there is no trend. However, it is surprising that 1 in 4 respondents perceive risk adjusted returns for real estate debt to be worse than extremely low yielding coupons like sovereign debt and BBB corporate bonds (assets that are not without risk in the current crisis). At the other end of the risk spectrum, more than 1 in 3 see direct real estate as more attractive.
- In terms of new busines origination, debt funds are expected to be better positioned to capitalise on origination potential, whereas banks - both commercial and investment banks - are seen as less well placed.
- With respect to attractive opportunities by risk level, on average respondents see most attractive opportunities in Q4 at lower risk levels than in Q3. As with previous quarters, opportunities appear to be more attractive at slightly lower risk levels by location than by type of asset or type of lending.
- Contrary to the mildly positive views, qualitative comments about the market and the Covid impact suggest an overweight towards negative to neutral sentiment. A few positive views are expressed, but they are heavily caveated.

Participation rate this quarter was about one third of 200+ individuals invited to respond. As with previous quarters, there was good breadth of types of participants.

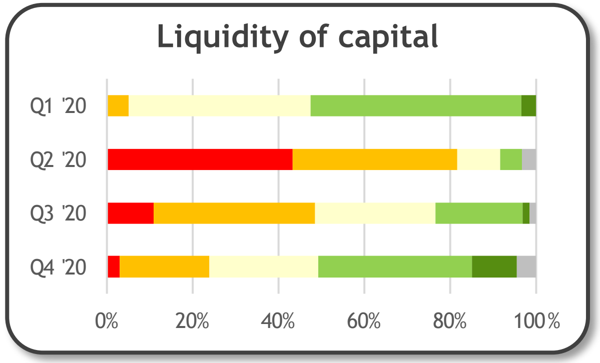
	Q4 '20	Q3 '20	Q2 '20	Q1 '20
Number of Participants	67	67	65	61
Who answered this question *(multiple answers are possible)*	65	59	58	59

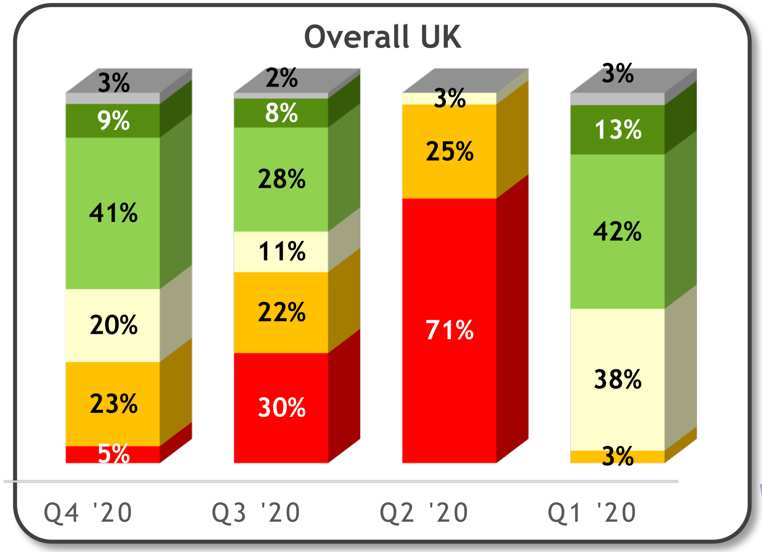


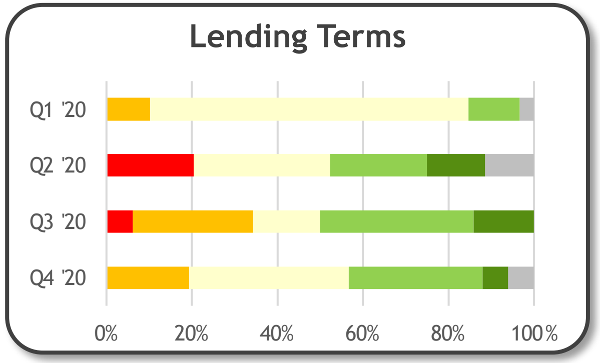
Following the covid-induced shock in Q2 and Q3, views on the UK debt market are more positive, with 50% of respondents assessing the overall UK debt market conditions to be at least moderately better.

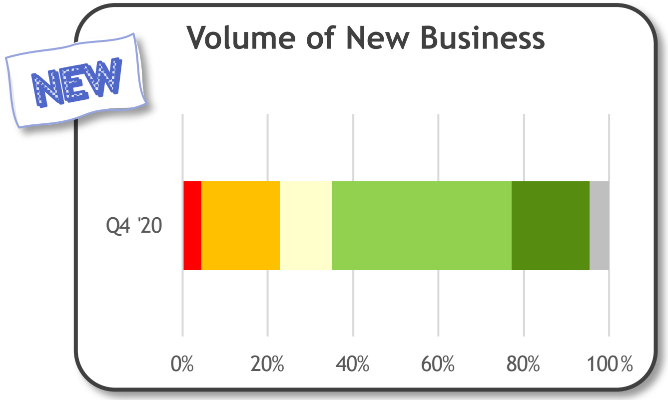
Question 1
From a lending perspective, how would you assess debt market conditions in the UK today compared with those of 3 months ago?

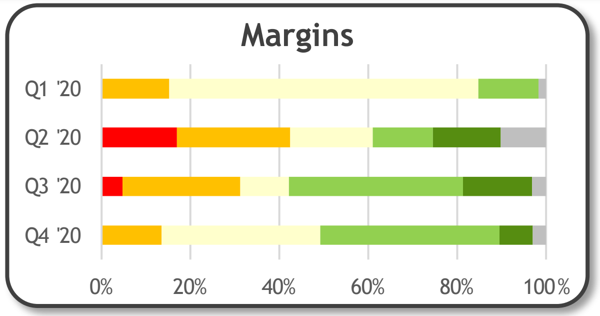
Significantly worse
Moderately worse
No change
Moderately better
Significantly better
Don't know

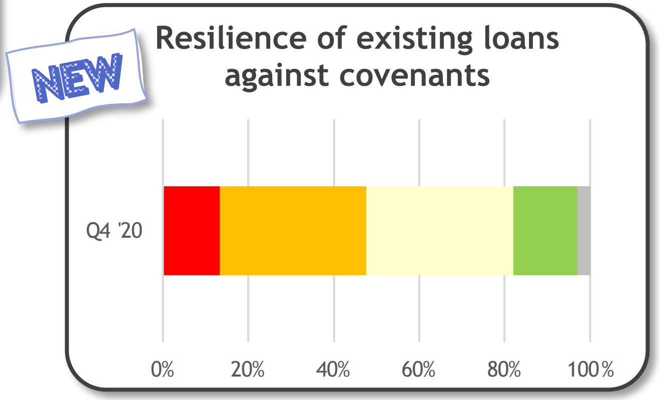












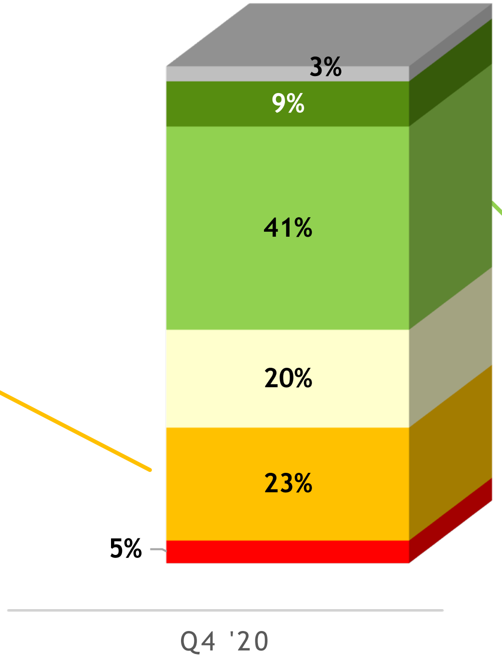
More positive sentiment about the UK market seems to be particularly underpinned by positive views on volume of new business, availability of debt and to a lesser extent on better pricing/margins.

Question 1 – cont'd

Significantly worse
Moderately worse
No change
Moderately better
Significantly better
Don't know

Views on UK Market Conditions

- 40% are direct lenders and 27% are borrowers
- Factors that appear to influence negative perception more are views on:
  - resilience of existing loans vs. financial covenants and real estate fundamentals (87% view as worse)
  - Economic and political environment (80% view as worse)
  - availability of debt/liquidity of capital (73% view as worse)
- There appears to be less correlation with views on:
  - Pricing/margins (27% view as worse)



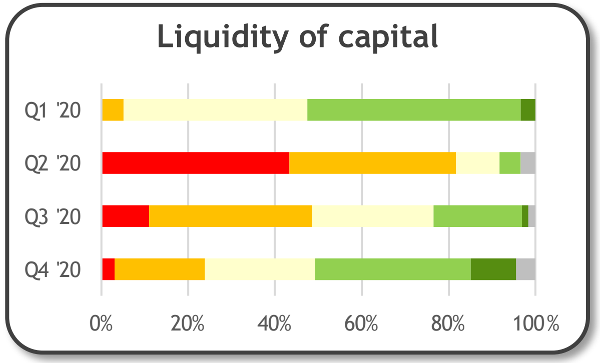
- 52% are direct lenders and 37% are advisers
- Factors that appear to influence positive perception more are views on:
  - volume of new business (92% view as better)
  - availability of debt/liquidity of capital (89% view as better)
  - pricing/margins (67% view as better)*
- On the other hand, there appears to be little correlation with views:
  - on resilience of existing loans vs financial covenants (33% view as better)
  - economic environment (19% view as better)
  - political environment (4% view as better)
  - real estate fundamentals (4% view as better).

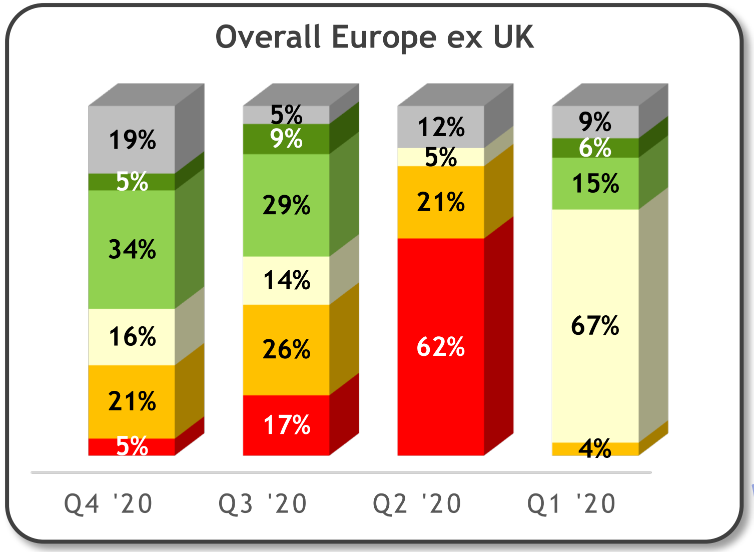
* Worse = moderately and significantly worse combined / Better = moderately and significantly better combined

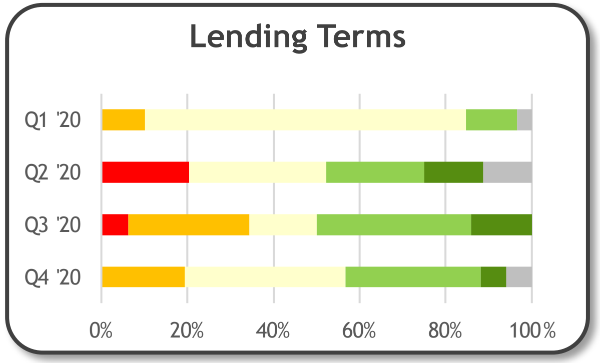
The trend towards a more positive sentiment in Q4 seen for UK market conditions is also notable for European market conditions. Excluding those respondents that did not have a view, 48% of respondents viewed market conditions for the European debt market as at least moderately better.

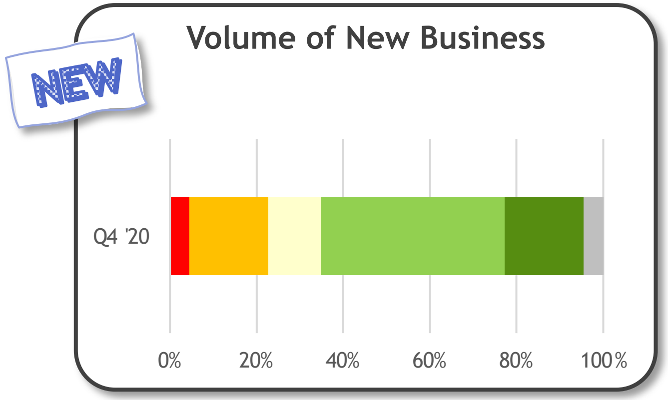
Question 2
From a lending perspective, how would you assess debt market conditions in Europe ex UK today compared with those of 3 months ago?

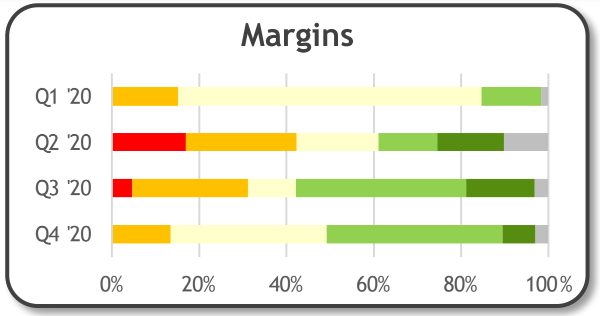
- Significantly worse
- Moderately worse
- No change
- Moderately better
- Significantly better
- Don't know

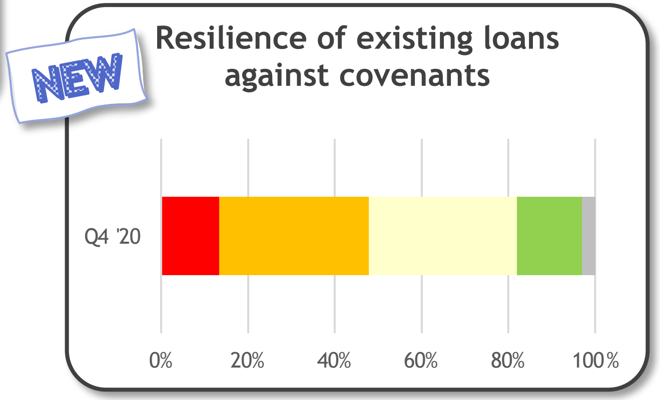












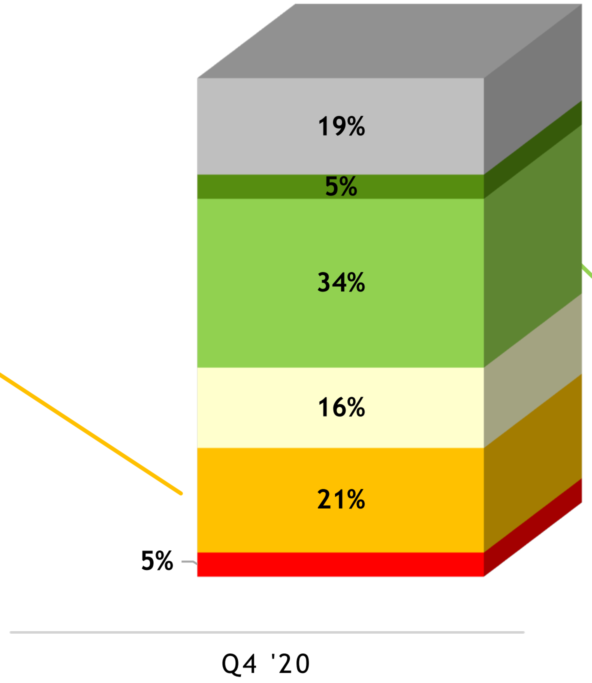
As with the UK market, positive views on volume of new business, availability of debt and better pricing/margins are the most significant factors leading to the the positive views on the European market overall.

Question 1 – cont'd

Significantly worse | Moderately worse | No change | Moderately better | Significantly better | Don't know

Views on Europe ex UK Market Conditions

- 38% are direct lenders and 38% are advisers
- Factors that appear to influence negative perception more are views on:
  - Political environment (85% view as worse)
  - Real estate fundamentals (85% view as worse)
  - Economic environment (69% view as worse)
- There appears to be less correlation with views on:
  - Pricing/margins (27% view as worse)
  - Volume of new business (46% view as worse)



- 52% are direct lenders and 33% are advisers
- Factors that appear to influence positive perception more are views on:
  - availability of debt/liquidity of capital (91% view as better)
  - volume of new business (81% view as better)
  - pricing/margins (57% view as better)*
- On the other hand, there appears to be less correlation with views:
  - Lending terms (33% view as better)
  - on resilience of existing loans vs financial covenants (29% view as better)
  - economic environment (24% view as better)
  - political environment (5% view as better)
  - real estate fundamentals (no one viewed as better).

* Worse = moderately and significantly worse combined / Better = moderately and significantly better combined

The trend towards stricter financial covenants on new loans continues, with LTV levels decreasing across UK and Europe…

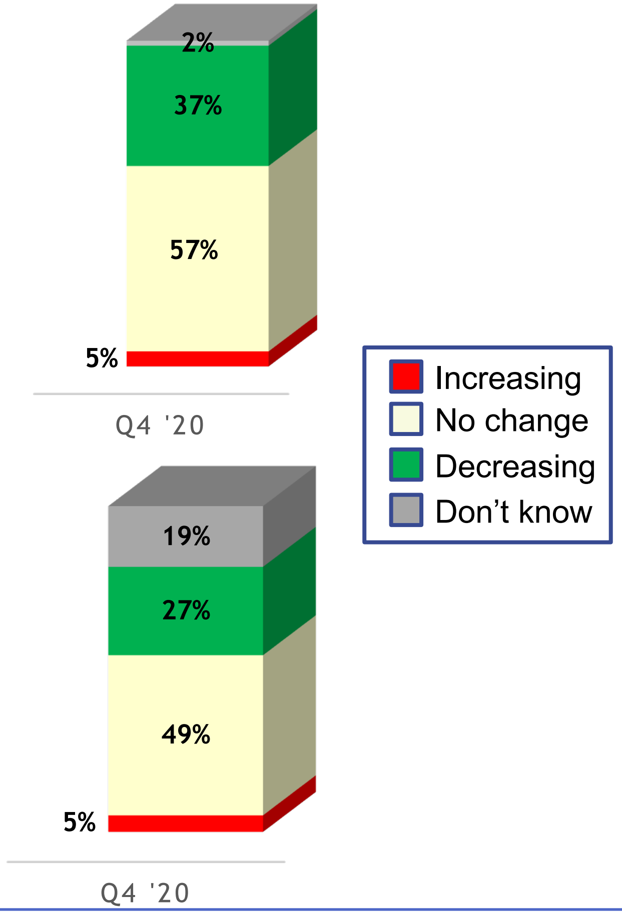
NEW

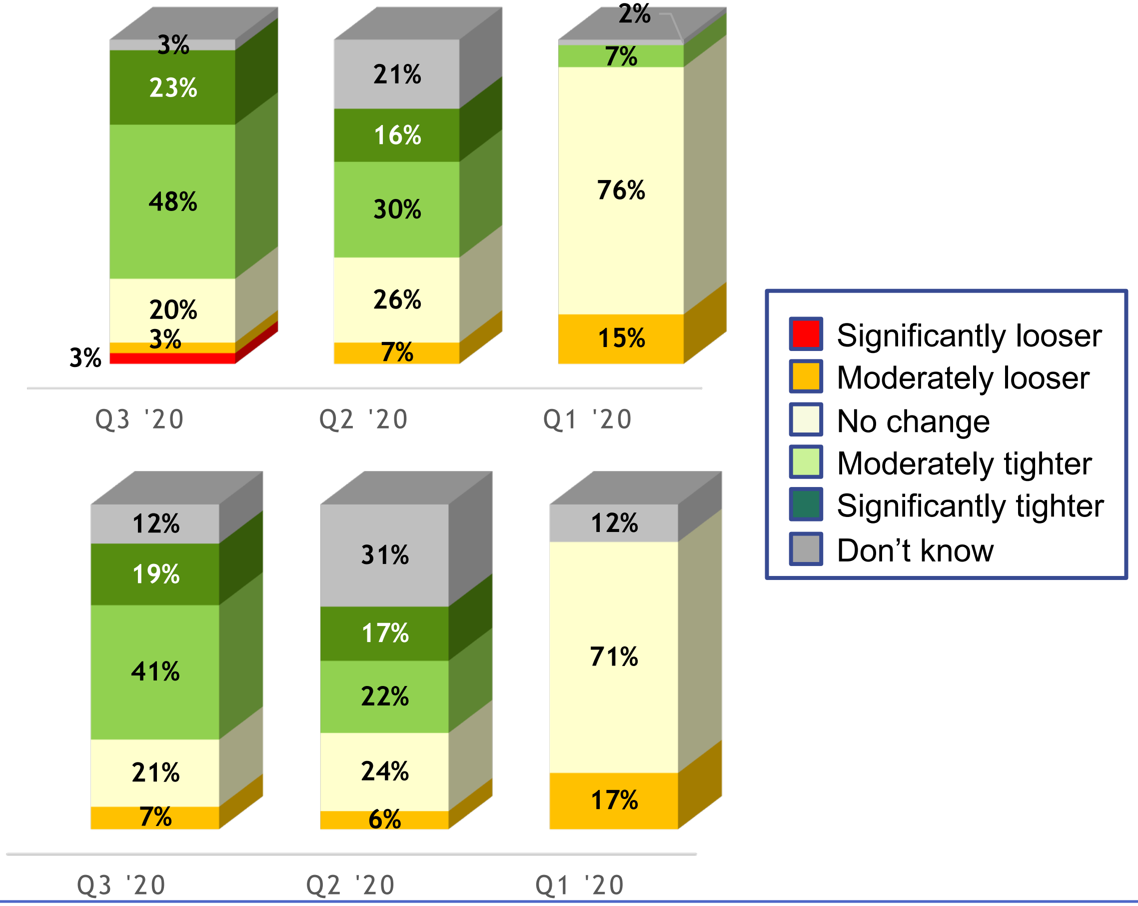
Question 3
For New loans, compared with 3 months ago, do you think LTVs are:

How would you assess financial covenants (LTVs and ICRs) today compared with those of 3 months ago?

UK

Europe ex UK





…and ICRs becoming slightly more demanding.

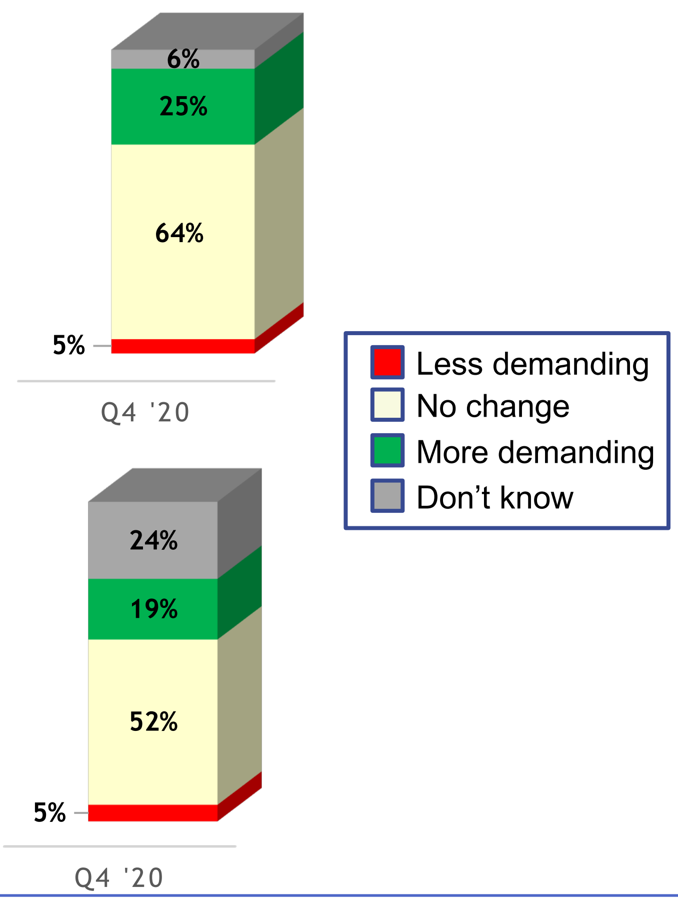
NEW

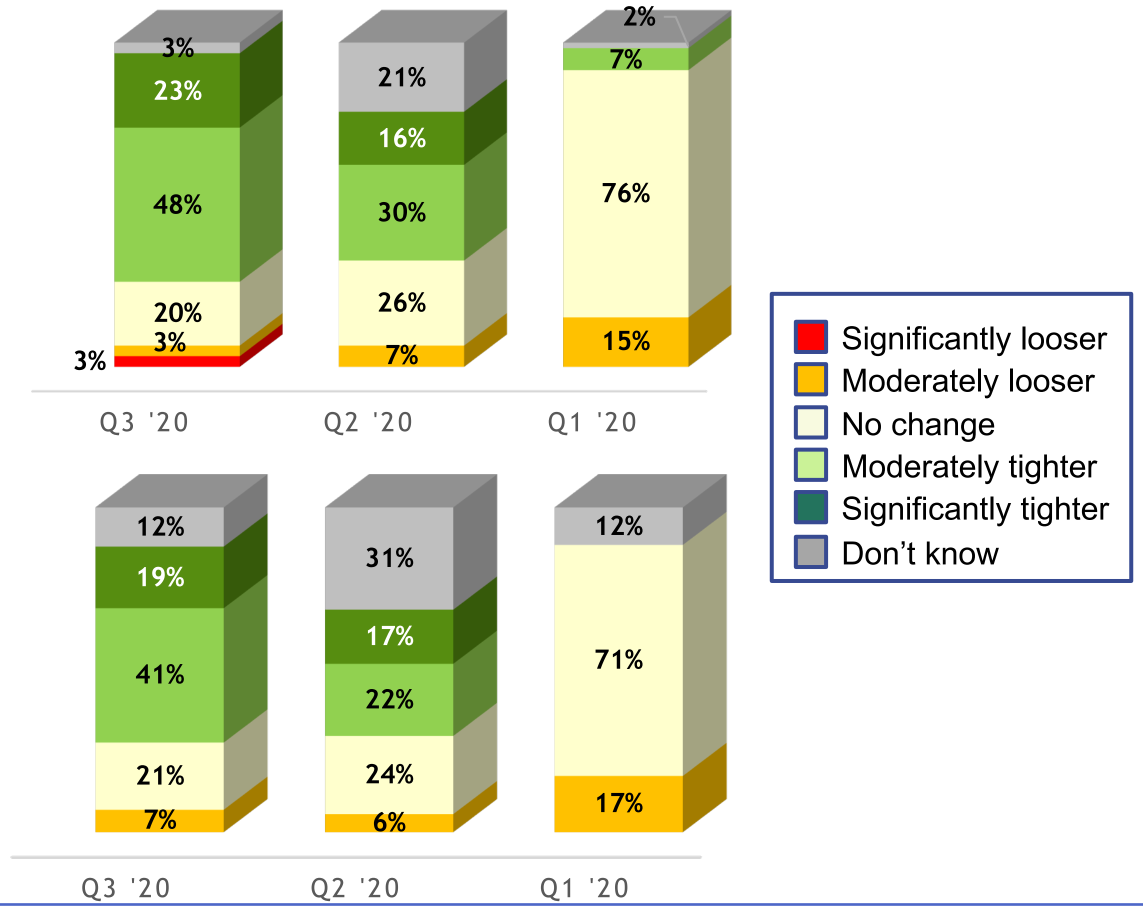
Question 4
For New loans, compared with 3 months ago, do you think ICRs are:

How would you assess financial covenants (LTVs and ICRs) today compared with those of 3 months ago?

UK

Europe ex UK



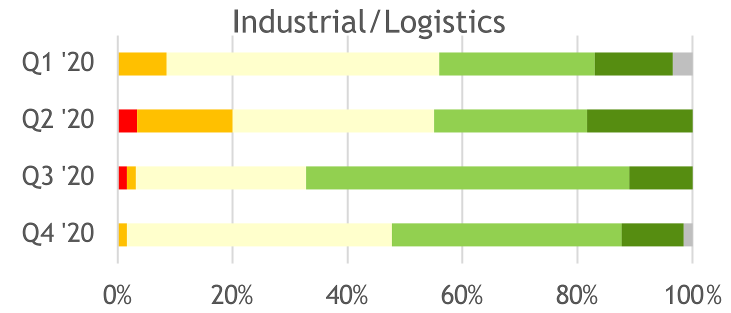


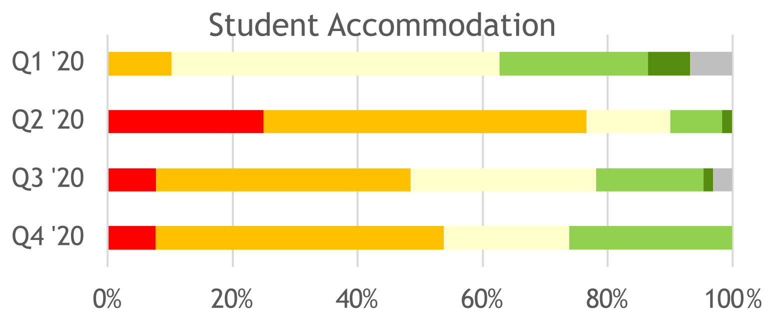
Whilst perceptions on the political environment have worsened as European governments tried to navigate through the pandemic's second wave, negative sentiment about the economic impact and real estate fundamentals may have peaked in Q2/Q3.

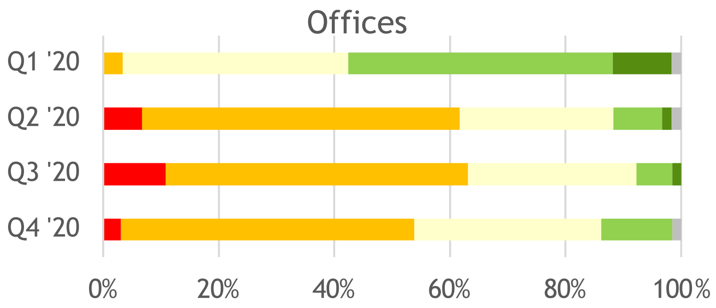
Question 5
From a generic lender's perspective, do you think that the situation is worse or better in each of these areas, compared with 3 months ago?

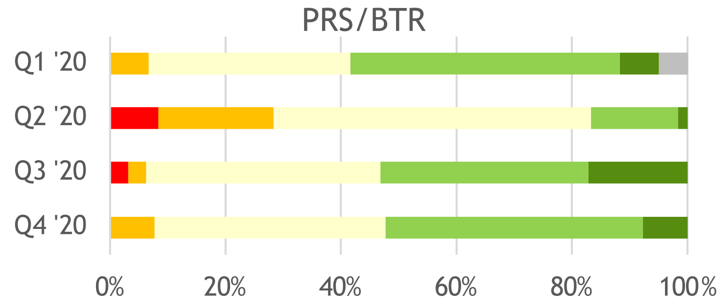
Although negative sentiment about retail and hospitality has turned slightly (mainly with the proportion of those feeling significantly pessimistic reducing), the pattern that has emerged since Q2 remains largely the same – industrial/logistics being the major winner, whilst sentiment for challenged sectors of retail, hospitality, office and student accommodation is more than 50% negative.

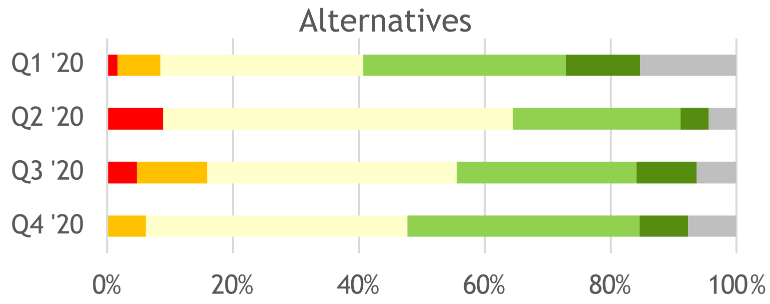
Question 6
From the perspective of your business or the business area in which you operate, how optimistic/pessimistic are you about fundamentals in the following segments, compared with 3 months ago?

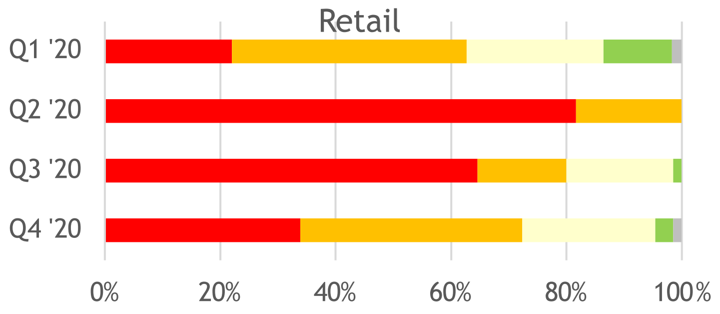


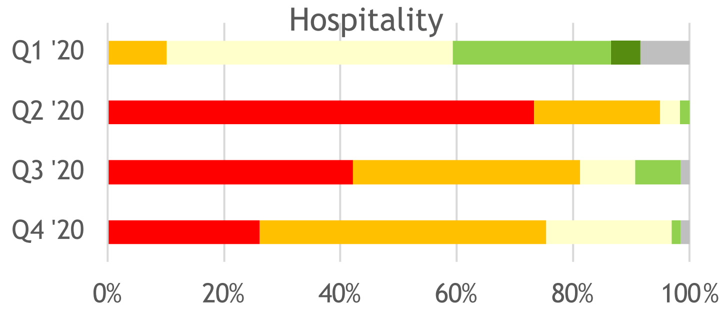


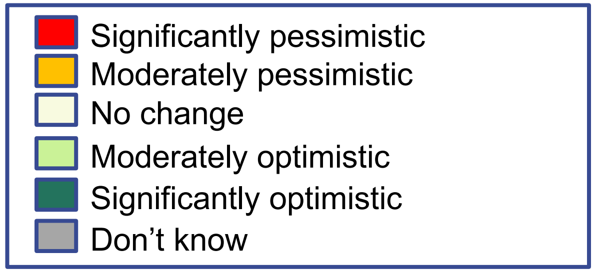








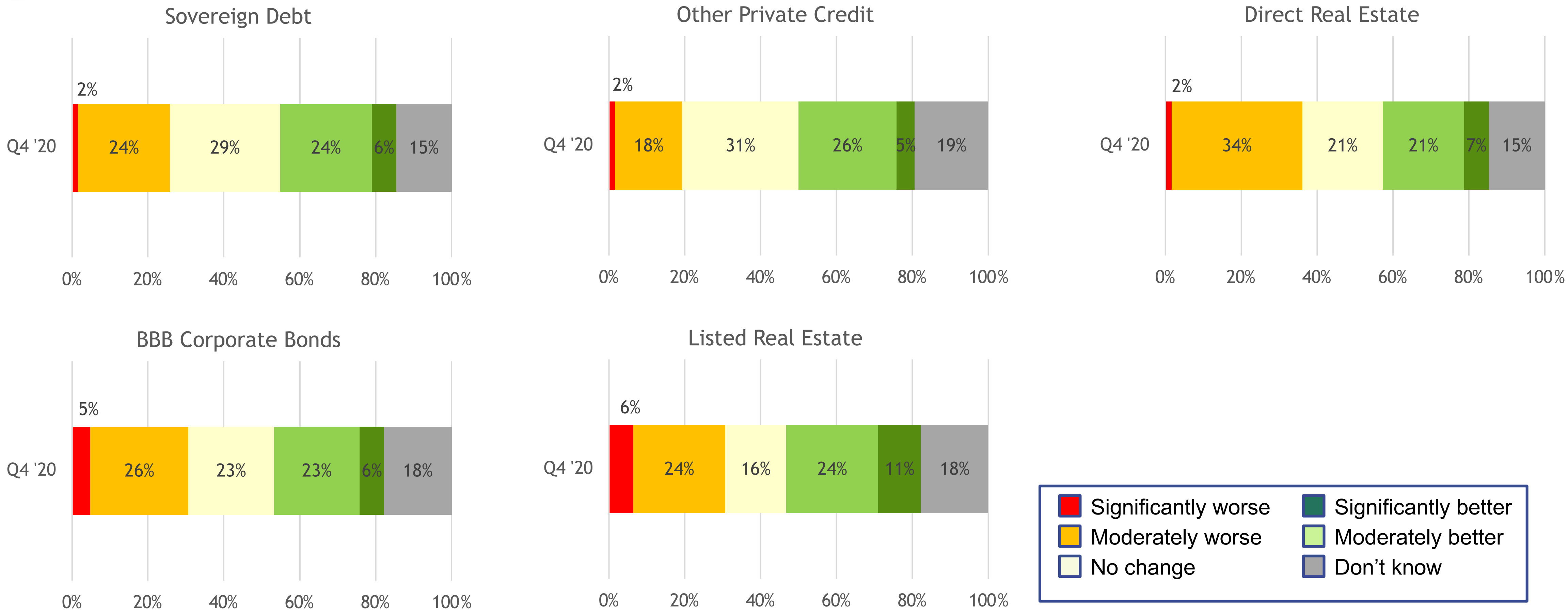




As this is a new question, at this stage there is no trend. However, it is surprising that 1 in 4 respondents perceive risk adjusted returns for real estate debt to be worse than extremely low yielding coupons like sovereign debt and BBB corporate bonds (assets that are not without risk in the current crisis). At the other end of the risk spectrum, more than 1 in 3 see direct real estate as more attractive.

NEW

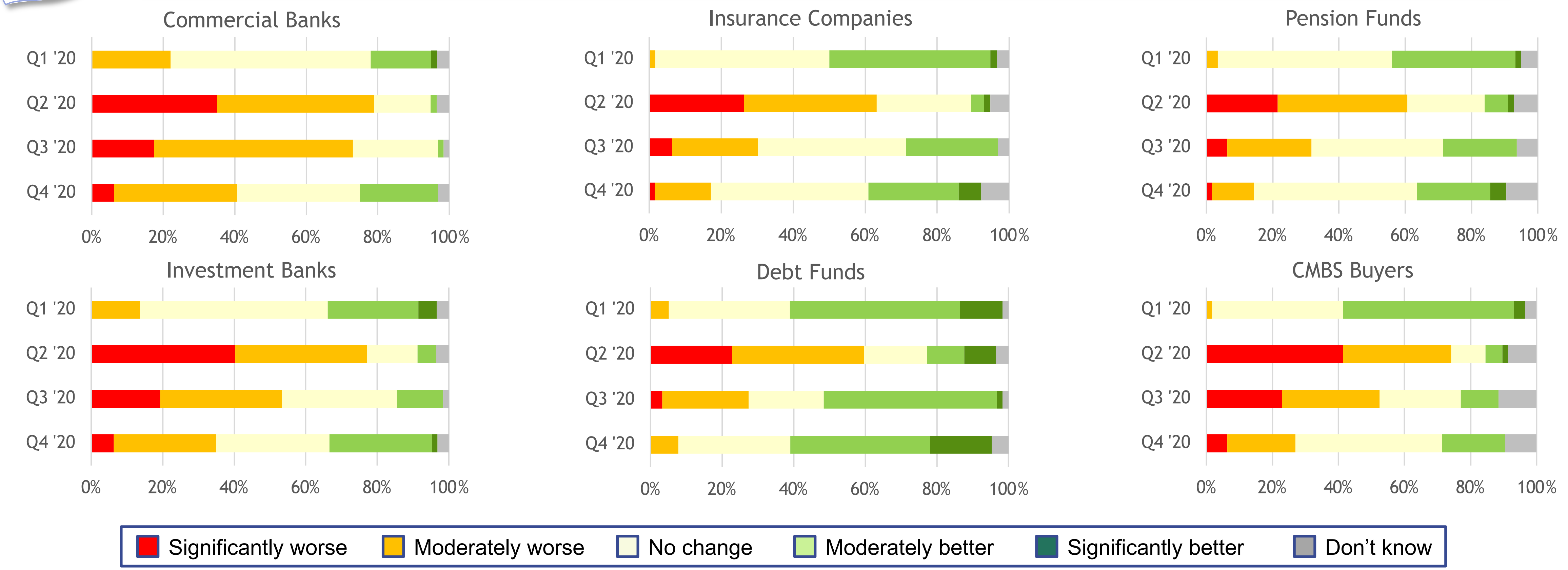
Question 7
What are your risk-adjusted returns expectations from real estate debt over the next 12 months relative to the following asset classes?



Debt funds are expected to be better positioned to capitalise on origination potential, whereas banks – both commercial and investment banks – are seen as less well placed.

Changed Wording

Question 8
Where you have a view, do you think that the origination potential of the following types of market participant is worse or better compared with 3 months ago?*



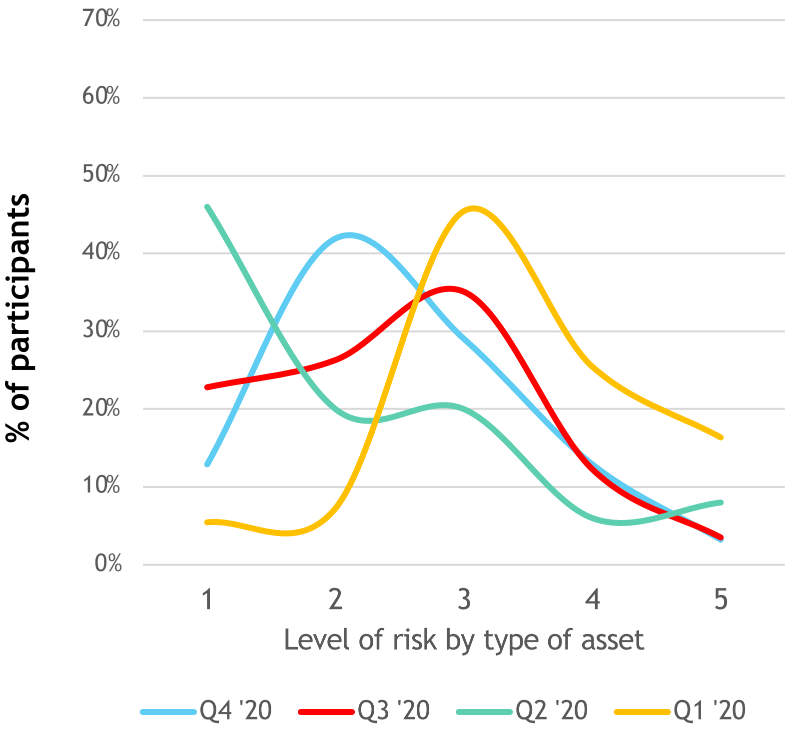
* Question previously worded as: do you think that **the growth prospects of the following categories** of market participant are worse or better compared with 3 months ago?

On average respondents see most attractive opportunities in Q4 at lower risk levels than in Q3. As with previous quarters, opportunities appear to be more attractive at slightly lower risk levels by location than by type of asset or type of lending.

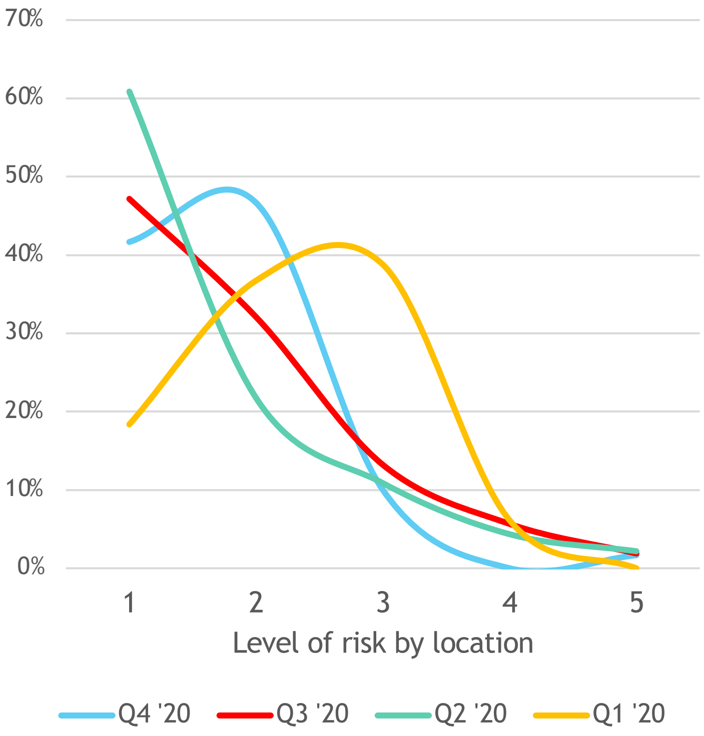
Changed Wording

Questions 9-11
Where do you see the most attractive opportunities over the next 3 months, on a scale of 1 to 5, where 1 = low risk and 5 = high risk?*

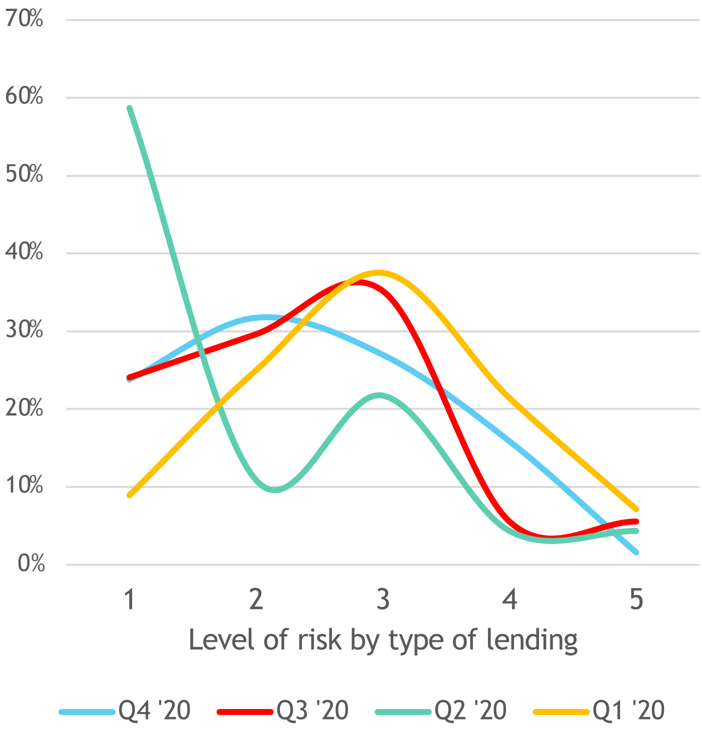
By Type of Asset



By Location

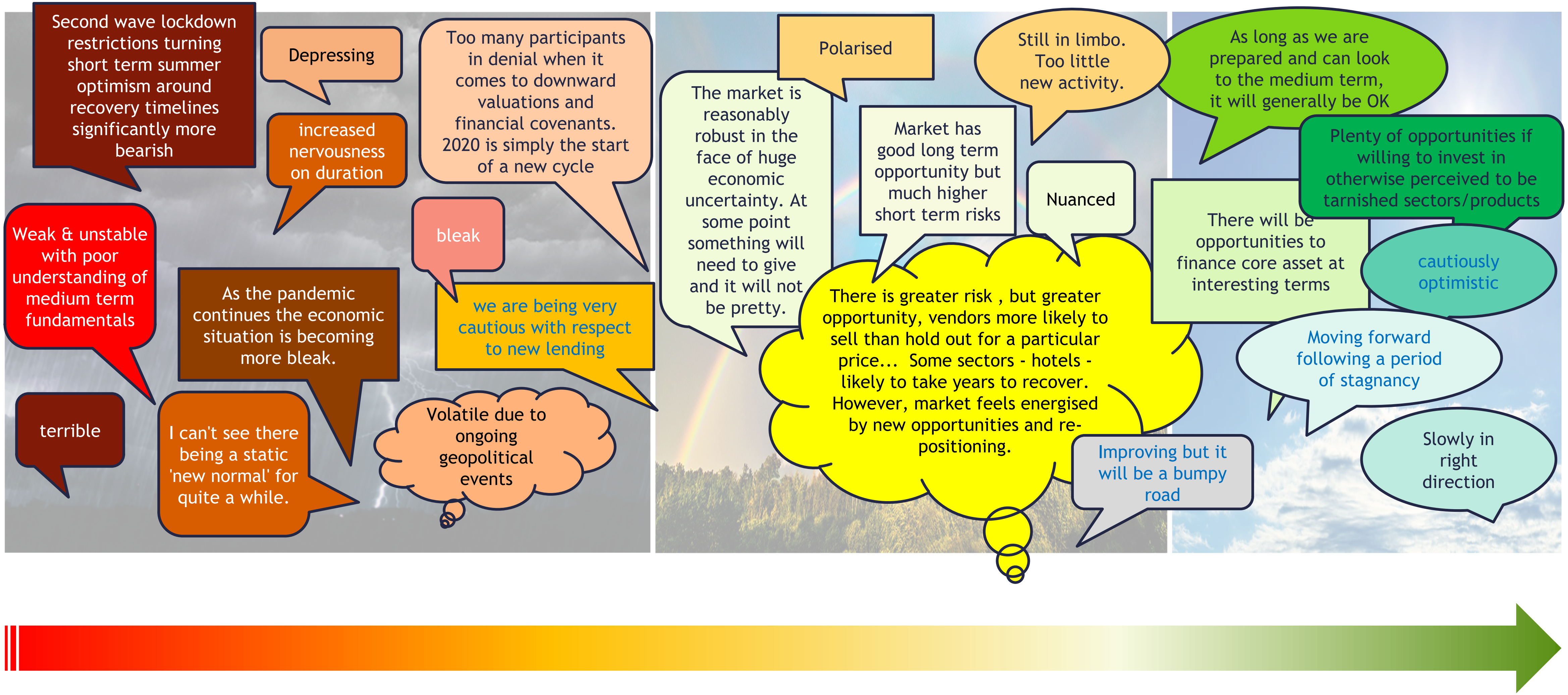


By Type of Lending



* Question previously worded as: Where do you see the most **attractive risk-adjusted returns** over the next 3 months, on a scale of 1 to 5, where 1=low risk and 5= high risk?

A few selected comments about the market and the Covid impact suggest an overweight towards negative to neutral sentiment. A few positive views are heavily caveated.



Appendices

Historic Data

From a lending perspective, how would you assess debt market conditions today compared with those of 3 months ago?

	UK								Europe ex UK							
Overall	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	5%	30%	71%	0%	16%	4%	8%	3%	5%	17%	62%	0%	0%	0%	0%	3%
Moderately worse	23%	22%	25%	3%	41%	45%	57%	51%	21%	26%	21%	4%	18%	12%	11%	51%
No change	20%	11%	3%	38%	41%	41%	30%	36%	16%	14%	5%	67%	61%	59%	64%	36%
Moderately better	41%	28%	0%	42%	2%	9%	3%	6%	34%	29%	0%	15%	12%	18%	16%	6%
Significantly better	9%	8%	0%	13%	0%	1%	2%	4%	5%	9%	0%	6%	0%	1%	0%	4%
Don't know	3%	2%	0%	3%	0%	0%	0%	0%	19%	5%	12%	9%	10%	10%	9%	0%
Debt availability/liquidity of capital	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	3%	11%	43%	0%	0%	0%	1%	0%	2%	11%	43%	0%	0%	0%	1%	0%
Moderately worse	21%	38%	38%	5%	22%	17%	22%	26%	18%	38%	38%	5%	22%	17%	22%	26%
No change	25%	28%	10%	42%	58%	69%	51%	49%	23%	28%	10%	42%	58%	69%	51%	49%
Moderately better	36%	20%	5%	49%	14%	13%	19%	21%	34%	20%	5%	49%	14%	13%	19%	21%
Significantly better	10%	2%	0%	3%	4%	0%	0%	0%	3%	2%	0%	3%	4%	0%	0%	0%
Don't know	4%	2%	3%	0%	2%	1%	6%	3%	21%	2%	3%	0%	2%	1%	6%	3%
Volume of new business	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	5%								3%							
Moderately worse	18%								11%							
No change	12%								23%							
Moderately better	42%								32%							
Significantly better	18%								10%							
Don't know	5%								21%							
Pricing/margins	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly lower	0%	5%	17%	0%	0%	0%	0%	2%	3%	5%	17%	0%	0%	0%	0%	2%
Moderately lower	13%	27%	25%	15%	25%	11%	16%	41%	13%	27%	25%	15%	25%	11%	16%	41%
No change	36%	11%	19%	69%	47%	63%	45%	34%	28%	11%	19%	69%	47%	63%	45%	34%
Moderately higher	40%	39%	14%	14%	27%	24%	28%	16%	33%	39%	14%	14%	27%	24%	28%	16%
Significantly higher	7%	16%	15%	0%	0%	0%	0%	0%	2%	16%	15%	0%	0%	0%	0%	0%
Don't know	3%	3%	10%	2%	0%	1%	10%	7%	21%	3%	10%	2%	0%	1%	10%	7%
Lending terms	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	6%	15%	0%	0%	0%	0%	0%	0%	6%	15%	0%	0%	0%	0%	0%
Moderately worse	19%	28%	0%	10%	25%	10%	13%	30%	19%	28%	0%	10%	25%	10%	13%	30%
No change	37%	16%	24%	75%	55%	67%	58%	49%	34%	16%	24%	75%	55%	67%	58%	49%
Moderately better	31%	36%	17%	12%	20%	20%	21%	18%	21%	36%	17%	12%	20%	20%	21%	18%
Significantly better	6%	14%	10%	0%	0%	0%	0%	0%	2%	14%	10%	0%	0%	0%	0%	0%
Don't know	6%	0%	8%	3%	0%	3%	7%	3%	24%	0%	8%	3%	0%	3%	7%	3%
Resilience of existing loans against financial covenants	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	13%								6%							
Moderately worse	34%								29%							
No change	34%								31%							
Moderately better	15%								13%							
Significantly better	0%								0%							
Don't know	3%								21%							

Historic data
Views on financial covenants in UK and Europe

For New loans, compared with 3 months ago, do you think LTVs are:

UK	Q4 '20
Increasing	5%
About the same	57%
Decreasing	37%
Unclear/don't know	2%

Europe ex UK	Q4 '20
Increasing	5%
About the same	49%
Decreasing	27%
Unclear/don't know	19%

For New loans, compared with 3 months ago, do you think ICR covenants are:

UK	Q4 '20
Less demanding	5%
About the same	64%
More demanding	25%
Unclear/don't know	6%

Europe ex UK	Q4 '20
Less demanding	5%
About the same	52%
More demanding	19%
Unclear/don't know	24%

From the perspective of your business or the business area in which you operate, how would you assess financial covenants (LTVs and ICRs) today compared with those of 3 months ago?

UK	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly looser	3%	0%	0%	0%	0%	2%	6%	
Moderately looser	3%	7%	15%	8%	8%	7%	24%	
About the same	20%	26%	76%	62%	72%	33%	44%	
Moderately tighter	48%	30%	7%	23%	14%	42%	23%	
Significantly tighter	23%	16%	0%	6%	0%	2%	0%	
Unclear/don’t know/Not applicable	3%	21%	2%	2%	6%	14%	3%	

Europe ex UK	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly looser	0%	0%	0%	0%	0%	3%	6%	
Moderately looser	7%	6%	17%	18%	16%	10%	24%	
About the same	21%	24%	71%	65%	61%	68%	44%	
Moderately tighter	41%	22%	0%	8%	6%	3%	23%	
Significantly tighter	19%	17%	0%	0%	0%	0%	0%	
Unclear/don’t know/Not applicable	12%	31%	12%	10%	17%	18%	3%	

Historic data
Views on market factors

From a generic lender's perspective, do you think that the situation is worse or better in each of these areas, compared with 3 months ago?

Political environment	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	14%	19%	15%	2%	29%	20%	23%	33%
Moderately worse	65%	36%	27%	12%	53%	51%	62%	62%
No change	18%	36%	32%	7%	14%	24%	11%	3%
Moderately better	3%	9%	15%	47%	4%	1%	2%	0%
Significantly better	0%	0%	10%	31%	0%	0%	0%	0%
Don't know	0%	0%	2%	2%	0%	3%	3%	2%

Economic environment	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	18%	53%	87%	0%	4%	1%	4%	2%
Moderately worse	49%	31%	12%	17%	71%	51%	58%	77%
No change	17%	2%	2%	36%	25%	40%	30%	20%
Moderately better	15%	14%	0%	41%	0%	6%	4%	0%
Significantly better	0%	0%	0%	5%	0%	0%	0%	0%
Don't know	0%	0%	0%	2%	0%	1%	3%	2%

Regulatory environment	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	2%	8%	3%	0%	2%	1%	1%	2%
Moderately worse	12%	14%	12%	12%	14%	14%	18%	25%
No change	83%	66%	75%	79%	82%	81%	72%	67%
Moderately better	2%	13%	8%	5%	0%	1%	3%	3%
Significantly better	0%	0%	2%	0%	0%	0%	0%	0%
Don't know	2%	0%	0%	3%	2%	1%	6%	3%

Real estate fundamentals	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	3%	14%	35%	0%	2%	1%	0%	0%
Moderately worse	52%	52%	48%	10%	33%	34%	33%	43%
No change	37%	20%	17%	68%	57%	61%	60%	48%
Moderately better	6%	14%	0%	22%	6%	1%	1%	8%
Significantly better	2%	0%	0%	0%	0%	0%	0%	0%
Don't know	0%	0%	0%	0%	2%	1%	6%	2%

Historic data
Views on real estate sectors

From the perspective of your business or the business area in which you operate, how optimistic/pessimistic are you about fundamentals in the following segments, compared with 3 months ago?

Offices	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	3%	11%	7%	0%	0%	1%	0%	0%
Moderately pessimistic	51%	52%	55%	3%	31%	10%	20%	24%
No Change	32%	29%	27%	39%	50%	68%	56%	60%
Moderately optimistic	12%	6%	8%	46%	17%	20%	24%	15%
Significantly Optimistic	0%	2%	2%	10%	2%	0%	0%	2%
Don't know	2%	0%	2%	2%	1%	1%	0%	0%

Retail	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	34%	65%	82%	22%	35%	31%	30%	32%
Moderately pessimistic	38%	15%	18%	41%	40%	52%	51%	63%
No Change	23%	18%	0%	24%	19%	17%	19%	5%
Moderately optimistic	3%	2%	0%	12%	6%	0%	0%	0%
Significantly Optimistic	0%	0%	0%	0%	0%	0%	0%	0%
Don't know	2%	0%	0%	2%	0%	0%	0%	0%

Industrial/logistics	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	2%	3%	0%	0%	0%	2%	0%
Moderately pessimistic	2%	2%	17%	8%	12%	17%	12%	11%
No Change	46%	30%	35%	47%	55%	49%	45%	47%
Moderately optimistic	40%	56%	27%	27%	25%	25%	32%	34%
Significantly Optimistic	11%	11%	18%	14%	8%	6%	9%	8%
Don't know	2%	0%	0%	3%	0%	3%	0%	0%

Hospitality	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	26%	42%	73%	0%	0%	1%	2%	3%
Moderately pessimistic	49%	39%	22%	10%	15%	13%	18%	13%
No Change	22%	9%	3%	49%	60%	50%	55%	61%
Moderately optimistic	2%	8%	2%	27%	23%	29%	20%	18%
Significantly Optimistic	0%	0%	0%	5%	0%	3%	3%	2%
Don't know	2%	2%	0%	8%	2%	4%	3%	3%

PRS/BTR/Multi-Family	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	3%	8%	0%	0%	0%	0%	2%
Moderately pessimistic	8%	3%	20%	7%	6%	7%	6%	5%
No Change	40%	41%	55%	35%	46%	43%	43%	31%
Moderately optimistic	45%	36%	15%	47%	44%	33%	37%	46%
Significantly Optimistic	8%	17%	2%	7%	4%	16%	10%	15%
Don't know	0%	0%	0%	5%	0%	1%	3%	2%

Student Accommodation	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	8%	8%	25%	0%	0%	0%	0%	2%
Moderately pessimistic	46%	41%	52%	10%	21%	13%	18%	18%
No Change	20%	30%	13%	53%	52%	51%	40%	50%
Moderately optimistic	26%	17%	8%	24%	27%	25%	31%	23%
Significantly Optimistic	0%	2%	2%	7%	0%	9%	6%	6%
Don't know	0%	3%	0%	7%	0%	3%	4%	2%

Alternatives (e.g. healthcare, senior)	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	5%	7%	2%	0%	0%	0%	2%
Moderately pessimistic	6%	11%	0%	7%	18%	9%	7%	11%
No Change	42%	40%	42%	32%	37%	45%	45%	36%
Moderately optimistic	37%	29%	20%	32%	33%	31%	36%	30%
Significantly Optimistic	8%	10%	3%	12%	6%	7%	4%	15%
Don't know	8%	6%	3%	15%	6%	7%	7%	7%

Historic data
Views on growth prospects

From Q4 '20: Where you have a view, do you think that the origination potential of the following types of market participant is worse or better compared with 3 months ago?

Until Q3 '20: Where you have a view, do you think that the growth prospects of the following categories of market participant are worse or better compared with 3 months ago?

Commercial banks	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	6%	17%	35%	0%	0%	3%	3%	2%
Moderately Worse	34%	56%	44%	22%	31%	42%	39%	43%
No change	34%	24%	16%	56%	59%	44%	48%	43%
Moderately Better	22%	2%	2%	17%	8%	5%	3%	7%
Significantly better	0%	0%	0%	2%	0%	0%	0%	0%
Don't know	3%	2%	4%	3%	2%	6%	6%	5%

Investment banks	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	6%	19%	40%	0%	2%	2%	0%	2%
Moderately Worse	29%	34%	37%	14%	20%	29%	31%	24%
No change	32%	32%	14%	53%	49%	50%	48%	41%
Moderately Better	29%	13%	5%	25%	25%	11%	14%	25%
Significantly better	2%	0%	0%	5%	0%	3%	0%	2%
Don't know	3%	2%	4%	3%	4%	6%	8%	7%

Insurance companies	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	2%	6%	26%	0%	0%	0%	3%	0%
Moderately Worse	16%	24%	37%	2%	16%	9%	8%	12%
No change	44%	41%	26%	48%	51%	44%	42%	39%
Moderately Better	25%	25%	4%	45%	29%	38%	38%	42%
Significantly better	6%	0%	2%	2%	0%	2%	2%	0%
Don't know	8%	3%	5%	3%	4%	8%	8%	7%

Debt funds	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	3%	23%	0%	0%	0%	0%	0%
Moderately Worse	8%	24%	37%	5%	12%	14%	11%	14%
No change	31%	21%	18%	34%	35%	34%	29%	24%
Moderately Better	39%	48%	11%	47%	43%	43%	46%	59%
Significantly better	17%	2%	9%	12%	6%	6%	8%	2%
Don't know	5%	2%	4%	2%	4%	3%	6%	2%

Pension funds	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	2%	6%	21%	0%	0%	0%	0%	0%
Moderately Worse	13%	25%	39%	3%	14%	12%	11%	12%
No change	49%	40%	23%	53%	57%	46%	46%	42%
Moderately Better	22%	22%	7%	37%	25%	34%	32%	35%
Significantly better	5%	0%	2%	2%	0%	2%	2%	5%
Don't know	10%	6%	7%	5%	4%	6%	9%	7%

CMBS buyers	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	6%	23%	41%	0%	0%	0%	5%	0%
Moderately Worse	21%	30%	33%	2%	12%	14%	8%	25%
No change	44%	25%	10%	40%	37%	40%	35%	37%
Moderately Better	19%	11%	5%	52%	37%	28%	29%	28%
Significantly better	0%	0%	2%	3%	2%	3%	6%	2%
Don't know	10%	11%	9%	3%	12%	15%	17%	8%

Historic data
Views on attractive opportunities by level of risk

From Q4 '20: Where do you see the most attractive opportunities over the next 3 months, on a scale of 1 to 5, where 1 = low risk and 5 = high risk?
Until Q3 '20: Where do you see the most attractive risk-adjusted returns over the next 3 months, on a scale of 1 to 5, where 1 = low risk and 5 = high risk?

By type of asset

	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
1	13%	23%	46%	5%	8%	5%	11%	2%
2	42%	26%	20%	7%	26%	20%	13%	14%
3	29%	35%	20%	45%	40%	48%	56%	46%
4	13%	12%	6%	25%	16%	16%	14%	25%
5	3%	4%	8%	16%	10%	11%	6%	13%

By location of asset

	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
1	42%	47%	61%	18%	30%	10%	19%	9%
2	47%	32%	22%	37%	33%	42%	37%	39%
3	10%	13%	11%	39%	33%	37%	32%	35%
4	0%	6%	4%	6%	4%	10%	10%	11%
5	2%	2%	2%	0%	0%	2%	2%	6%

By type of lending

	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
1	24%	24%	59%	9%	11%	13%	16%	13%
2	32%	30%	11%	25%	30%	23%	30%	17%
3	27%	35%	22%	38%	36%	43%	33%	45%
4	16%	6%	4%	21%	17%	16%	16%	17%
5	2%	6%	4%	7%	6%	5%	5%	8%

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