

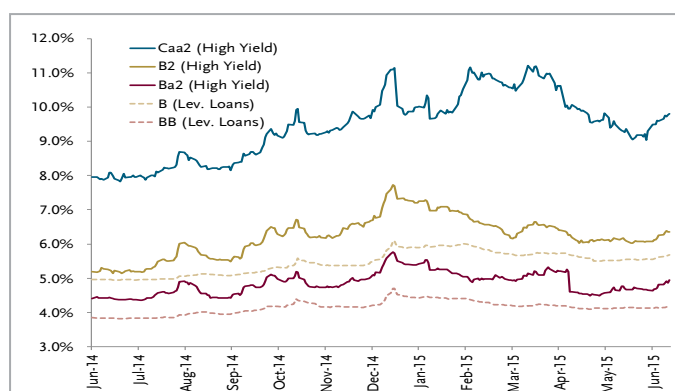
Piper Jaffray Debt Capital Markets Update

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The Piper Jaffray Debt Capital Markets Update is published weekly and provides a summary and analysis of debt capital markets activity. To subscribe/unsubscribe, visit www.piperjaffray.com/dcmupdate

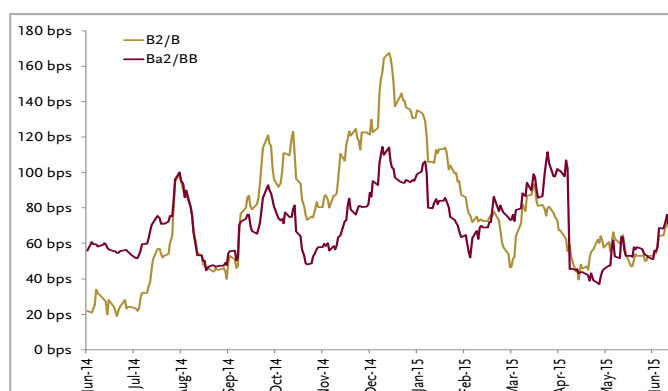
LOAN & BOND YIELDS AND VOLUME

Leveraged Loan & HY Yields by Rating



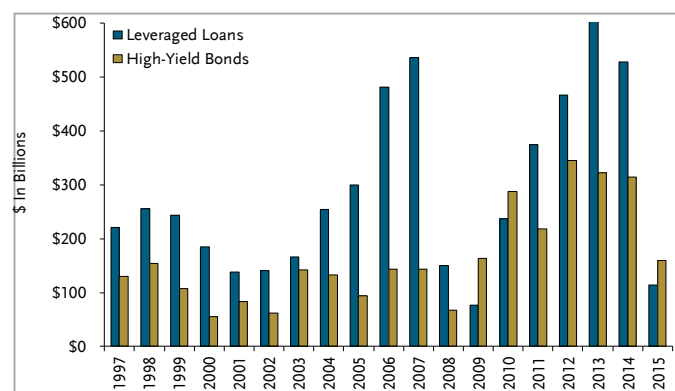
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



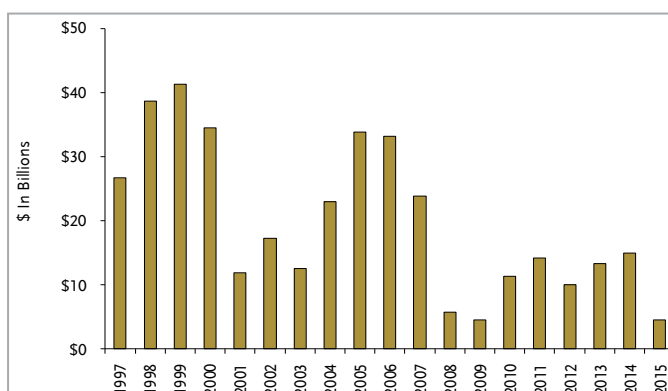
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

The high-yield market priced seven bonds last week, bringing weekly and year-to-date issuance to more than \$1.8 billion and \$157.3 billion, respectively. There were 25 new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$11.2 billion and \$165.2 billion, respectively.

For B2/B rated issues, yields for the secondary leveraged loan market increased 6 bps, ending the week at 5.68%, while yields for the secondary high-yield bond market increased 10 bps, ending the week at 6.36%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 68 bps.

This week, loan and high-yield funds saw \$223 million in outflows and \$2.6 billion in outflows, respectively. Year-to-date, loan funds have seen \$3.3 billion in outflows, while high-yield funds have seen \$6.5 billion in inflows.

Note: Leveraged loans and high yield bonds include new money issues rated Ba1/BB+ or lower
Source: AdvantageData, Piper Jaffray, S&P LCD

New High Yield Bond Issues⁽¹⁾⁽²⁾

Company (New Issues)	Ratings		Industry	Amount (\$MM)	Maturity	Coupon	Yield	Price	Lead Bookrunner	Security	Sponsor	Purpose
	Moody's	S&P										
Carmike Cinemas	B1	BB	Entertainment	\$230	6/15/23	6.0%	6.0%	100.0	JPM	Unsecured	Not Sponsored	Refinancing
Sealed Air	B1	BB	Chemicals	\$400	9/15/25	5.5%	5.5%	100.0	MS	Unsecured	Not Sponsored	Refinancing
ATS Automation Tooling Systems	B2	B+	Services & Leasing	\$250	6/15/23	6.5%	6.5%	100.0	JPM	Unsecured	Not Sponsored	Refinancing
Alere	Caa1	CCC+	Healthcare	\$425	7/1/23	6.4%	6.4%	100.0	GS	Unsecured	Not Sponsored	Refinancing

Company (Tapped Issues)	Ratings		Industry	Amount (\$MM)	Maturity	Coupon	Yield	Price	Lead Bookrunner	Security	Sponsor	Purpose
	Moody's	S&P										
TerraForm Power	B1	BB-	Utilities	\$150	2/1/23	5.9%	5.6%	101.5	MS	Unsecured	Not Sponsored	Refinancing
Meritor	B2	B	Automotive	\$225	2/15/24	6.3%	6.3%	100.0	BOA	Unsecured	Not Sponsored	Refinancing
Coveris Holdings SA	Caa2	B	Chemicals	\$155	11/1/19	7.9%	7.9%	99.9	GS	Unsecured	Sun Capital	Acquisition

New Leveraged Loan Issues⁽¹⁾⁽²⁾

Company (<\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Carmike Cinemas (RC)	Ba2	BB	Entertainment	\$50.0	TBD	TBD	TBD	NA	JPM	Not Sponsored	Refinancing
American Casino (TLB)	Ba3	BB-	Gaming & Hotel	\$295.0	1.00%	TBD	TBD	3.7x	GS	Not Sponsored	Refinancing
Lindblad Expeditions (TLB)	B2	BB+	Entertainment	\$150.0	1.00%	L + 500	99.0	NA	CS	Not Sponsored	Acquisition
Anchor Glass Container (TLB)	NR	BB-	Manufacturing	\$465.0	1.00%	L + 375	99.0	NA	CS	KPS Capital	Dividend Recap
Alliance HealthCare Services (TLB)	B1	B+	Healthcare	\$30.0	1.00%	L + 325	99.5	NA	CS	Not Sponsored	Refinancing
Authentic Brands (TLB)	B1	B+	Services & Leasing	\$120.0	1.00%	L + 450	99.0	NA	BOA	Leonard Green	Acquisition
Authentic Brands (2nd)	Caa1	CCC+	Services & Leasing	\$75.0	1.00%	L + 850	99.0	NA	BOA	Leonard Green	Acquisition
ION Trading Technologies (TLB)	B1	B+	Computers	\$250.0	1.00%	L + 325	99.0	NA	UBS	Not Sponsored	Refinancing
Nord Anglia Education (TLB)	B1	B+	Not for Profit	\$200.0	1.00%	L + 400	99.5	NA	GS	Baring Private Equity	Acquisition
My Alarm Center (RC)	NR	B+	Services & Leasing	\$30.0	TBD	TBD	TBD	NA	Imperial	Ironwood Capital	Refinancing
Consolidated Precision (TLB)	B1	B	Aerospace & Def.	\$65.0	1.00%	L + 350	99.5	NA	UBS	Warburg Pincus	Refinancing
Spencer Spirit Holdings (TLB)	B1	B	Retail	\$334.0	1.00%	L + 425	99.0	NA	CS	Not Sponsored	Stock Repurchase
Mauser Holding (TLB)	B2	B	Building Materials	\$100.0	1.00%	L + 350	99.0	NA	CS	Clayton, Dubilier	Dividend Recap
Lantheus Medical Imaging (TLB)	NR	B-	Healthcare	\$365.0	1.00%	L + 500	99.0	NA	CS	Avista Capital	IPO
Archroma (RC)	NR	NR	Chemicals	\$75.0	NA	L + 525	TBD	NA	BOA	SK Capital Partners	Acquisition
Archroma (TLA)	NR	NR	Chemicals	\$220.0	NA	L + 525	TBD	NA	BOA	SK Capital Partners	Acquisition
Boomerang Tube (RC)	NR	NR	Metals & Mining	\$85.0	TBD	L + 450	TBD	NA	TBD	Not Sponsored	DIP
Boomerang Tube (TLB)	NR	NR	Metals & Mining	\$60.0	TBD	L + 1100	TBD	NA	TBD	Not Sponsored	DIP
Camin Cargo Control (TLB)	NR	NR	Services & Leasing	\$150.0	1.00%	L + 475	99.0	NA	Citizens	Metalmark Capital	LBO
Kendra Scott Design (RC)	NR	NR	Textile & Apparel	\$15.0	TBD	TBD	TBD	NA	BNP	Norwest Venture	Dividend Recap
Kendra Scott Design (TLB)	NR	NR	Textile & Apparel	\$70.0	1.00%	L + 500	99.0	NA	BNP	Norwest Venture	Dividend Recap
PDC Brands (RC)	NR	NR	Consumer	\$20.0	TBD	TBD	TBD	4.5x	GE	Yellow Wood	Acquisition
PDC Brands (TLB)	NR	NR	Consumer	\$260.0	1.00%	L + 400	99.5	4.5x	GE	Yellow Wood	Acquisition
Ravn Air (RC)	NR	NR	Transportation	\$15.0	TBD	L + 475	TBD	NA	BNP	J.F. Lehman & Co	LBO
Ravn Air (TLB)	NR	NR	Transportation	\$95.0	1.00%	L + 475	99.0	NA	BNP	J.F. Lehman & Co	LBO

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Endo Pharmaceuticals (TLB)	Baa3	BB	Healthcare	\$2,500.0	0.75%	L + 300	99.5	NA	DB	Not Sponsored	Acquisition
Cirque Du Soleil (TLB)	B1	B+	Entertainment	\$615.0	1.00%	L + 425	99.0	NA	DB	Texas Pacific	LBO
Cirque Du Soleil (2nd)	Caa1	CCC+	Entertainment	\$170.0	1.00%	L + 825	98.5	NA	BOA	Texas Pacific	LBO
Language Line (TLB)	B1	B-	Services & Leasing	\$480.0	1.00%	L + 550	99.0	NA	CS	ABRY Partners	Refinancing
Language Line (2nd)	Caa1	CCC+	Services & Leasing	\$160.0	1.00%	L + 975	99.0	NA	CS	ABRY Partners	Refinancing
Deltek Systems (RC)	NR	B	Computers	\$30.0	TBD	TBD	TBD	NA	Jefferies	Thoma Bravo	Dividend Recap
Deltek Systems (TLB)	NR	B	Computers	\$840.0	1.00%	L + 400	99.5	NA	Jefferies	Thoma Bravo	Dividend Recap
Deltek Systems (2nd)	NR	CCC+	Computers	\$350.0	1.00%	L + 800	99.0	NA	Jefferies	Thoma Bravo	Dividend Recap
Protection One (RC)	NR	B	Services & Leasing	\$95.0	TBD	TBD	TBD	NA	CS	Apollo	LBO
Protection One (TLB)	NR	B	Services & Leasing	\$1,055.0	1.00%	L + 400	99.0	NA	CS	Apollo	LBO
Protection One (2nd)	NR	CCC+	Services & Leasing	\$300.0	1.00%	L + 875	98.0	NA	CS	Apollo	LBO
Standard Aero (RC)	NR	NR	Aerospace & Def.	\$150.0	TBD	TBD	TBD	NA	Jefferies	Veritas Capital	LBO
Standard Aero (TLB)	NR	NR	Aerospace & Def.	\$925.0	1.00%	L + 375	99.5	NA	Jefferies	Veritas Capital	LBO

⁽¹⁾Split-rated issues with an investment grade rating from either rating agency are not included/shown⁽²⁾Bold transactions denote Piper Jaffray arrangements

Source: Piper Jaffray, S&P LCD

New Investment Grade Bond Issues

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
Cisco Systems	A1	AA-	Computers	\$1,600	6/15/18	+ 55	1.7%	1.7%	Senior Notes
Cisco Systems	A1	AA-	Computers	\$1,500	6/15/20	+ 70	2.5%	2.5%	Senior Notes
Cisco Systems	A1	AA-	Computers	\$900	6/15/18	FRN	0.6%	FRN	Senior Notes
Cisco Systems	A1	AA-	Computers	\$500	6/15/22	+ 88	3.0%	3.1%	Senior Notes
Cisco Systems	A1	AA-	Computers	\$500	6/15/25	+ 105	3.5%	3.5%	Senior Notes
Ford Motor Credit	A1	AA-	Financial	\$1,000	6/15/18	+ 115	2.2%	2.2%	Senior Notes
Ford Motor Credit	A1	AA-	Financial	\$500	6/15/18	TBD	1.2%	TBD	Senior Notes
ING Bank	A1	NR	Financial	\$50	6/15/17	FRN	0.7%	FRN	FRN
Caterpillar Financial Services	A2	A	Financial	\$500	6/16/18	+ 60	1.7%	1.7%	Senior Notes
Caterpillar Financial Services	A2	A	Financial	\$300	6/9/17	TBD	0.5%	TBD	Senior Notes
Morgan Stanley	A2	A	Financial	\$2,500	6/16/20	+ 110	2.8%	2.8%	Senior Notes
Morgan Stanley	A2	A	Financial	\$400	6/16/20	TBD	1.3%	TBD	Senior Notes
BAT International	A3	A-	Food & Beverage	\$1,500	6/15/25	+ 150	4.0%	4.0%	Senior Notes
BAT International	A3	A-	Food & Beverage	\$1,250	6/15/20	+ 100	2.8%	2.9%	Senior Notes
BAT International	A3	A-	Food & Beverage	\$750	6/15/18	+ 75	1.9%	1.9%	Senior Notes
BAT International	A3	A-	Food & Beverage	\$500	6/15/18	FRN	0.8%	FRN	Senior Notes
BAT International	A3	A-	Food & Beverage	\$500	6/15/22	+ 130	3.5%	3.5%	Senior Notes
Rio Tinto Finance	A3	A-	Financial	\$1,200	6/15/25	+ 145	3.8%	3.8%	Senior Notes
Pacific Gas & Electric	A3	BBB+	Utilities	\$400	6/15/25	+ 115	3.5%	3.6%	Senior Notes
Pacific Gas & Electric	A3	BBB+	Utilities	\$100	3/15/45	+ 145	4.3%	4.6%	Senior Notes
DTE Energy	A3	BBB	Utilities	\$300	6/15/22	+ 115	3.3%	3.3%	Senior Notes
The Southern Co	Baa1	A-	Utilities	\$600	6/15/20	+ 105	2.8%	2.8%	Senior Notes
Devon Energy	Baa1	BBB+	Oil & Gas	\$750	6/15/45	+ 195	5.0%	5.1%	Senior Notes
Dominion Resources	Baa2	BBB+	Utilities	\$500	6/15/18	+ 82	1.9%	1.9%	Senior Notes
Exelon	Baa2	BBB-	Utilities	\$1,250	6/15/25	+ 160	4.0%	4.0%	Senior Notes
Exelon	Baa2	BBB-	Utilities	\$1,000	6/15/45	+ 200	5.1%	5.1%	Senior Notes
Exelon	Baa2	BBB-	Utilities	\$900	6/15/20	+ 115	2.9%	2.9%	Senior Notes
Exelon	Baa2	BBB-	Utilities	\$550	6/9/17	+ 90	1.6%	1.6%	Senior Notes
Exelon	Baa2	BBB-	Utilities	\$500	6/15/35	+ 185	5.0%	5.0%	Senior Notes
Embraer Netherlands Finance	Baa3	BBB	Financial	\$1,000	6/15/25	+ 270	5.1%	5.1%	Senior Notes
Fortune Brands Home & Security	Baa3	BBB	Financial	\$500	6/15/25	+ 170	4.0%	4.1%	Senior Notes
Fortune Brands Home & Security	Baa3	BBB	Financial	\$400	6/15/20	+ 130	3.0%	3.0%	Senior Notes
Reynolds American	Baa3	BBB-	Tobacco	\$2,500	6/12/25	+ 205	4.5%	4.5%	Senior Notes
Reynolds American	Baa3	BBB-	Tobacco	\$2,250	8/15/45	+ 270	5.9%	5.9%	Senior Notes
Reynolds American	Baa3	BBB-	Tobacco	\$1,250	6/12/18	+ 120	2.3%	2.3%	Senior Notes
Reynolds American	Baa3	BBB-	Tobacco	\$1,250	6/12/20	+ 150	3.3%	3.3%	Senior Notes
Reynolds American	Baa3	BBB-	Tobacco	\$1,000	6/12/22	+ 185	4.0%	4.0%	Senior Notes
Reynolds American	Baa3	BBB-	Tobacco	\$750	8/15/34	+ 255	5.7%	5.7%	Senior Notes
Dun & Bradstreet	NR	BBB-	Financial	\$300	6/15/25	+ 238	4.0%	4.0%	Senior Notes

Source: Piper Jaffray, S&P LCD

Total Debt Volume

	Previous Week		2015 YTD		2014 YTD		YOY Change	
Bond Issues	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$34,000	39	\$627,055	774	\$500,735	685	+25.2%	+13.0%
High-Yield ⁽¹⁾	\$1,835	7	\$157,355	252	\$159,525	288	(1.4%)	(12.5%)
Total Bonds	\$35,835	46	\$784,410	1,026	\$660,260	973	+18.8%	+5.4%

	Previous Week		2015 YTD		2014 YTD		YOY Change	
Leveraged Loan Issues	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans⁽¹⁾	\$11,264	25	\$165,229	305	\$261,482	456	(36.8%)	(33.1%)

Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.73%	0.61%	12.0	0.40%	33.0
5 yr UST	1.75%	1.49%	26.0	1.63%	12.0
10 yr UST	2.41%	2.12%	29.0	2.59%	(18.0)
30 yr UST	3.11%	2.88%	23.0	3.44%	(33.0)
3M LIBOR	0.28%	0.28%	(0.3)	0.23%	5.1

⁽¹⁾ Split-rated issues with an investment grade rating from either rating agency are not included/shown
Source: Piper Jaffray, S&P LCD

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