

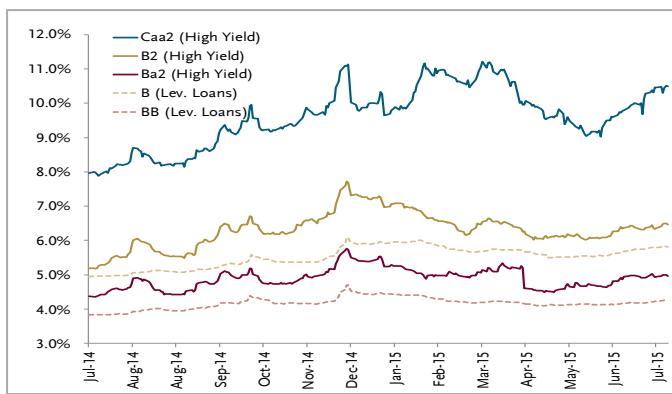
Piper Jaffray Debt Capital Markets Update

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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

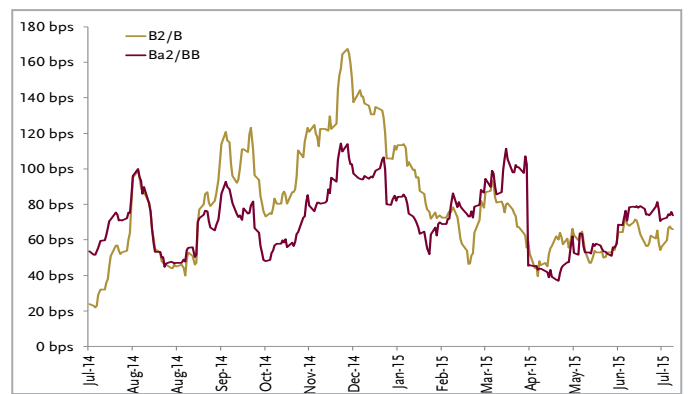
LOAN & BOND YIELDS AND VOLUME

Leveraged Loan & HY Yields by Rating



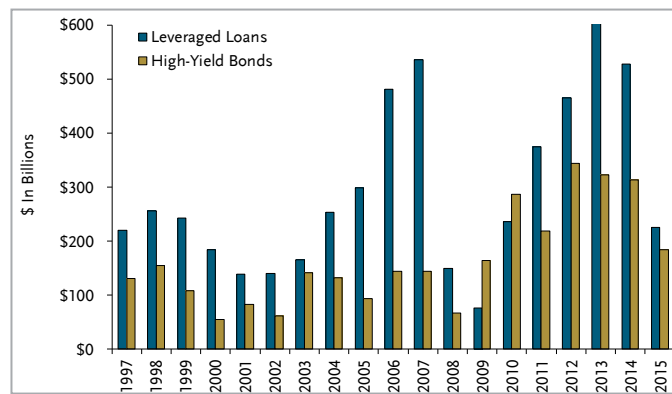
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



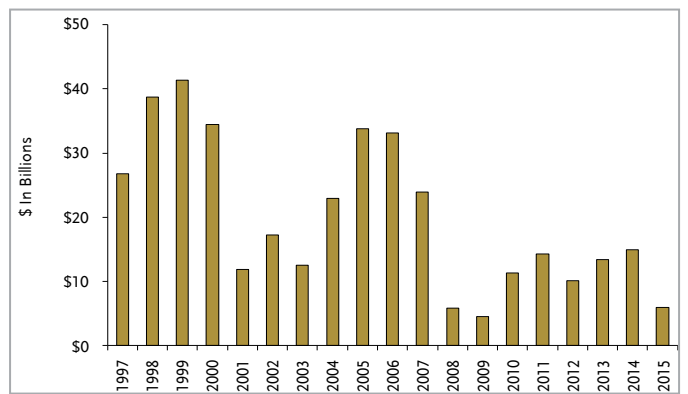
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

Driven by the volatility surrounding Greece, the public high-yield market took a breather last week with no bonds being issued. The leveraged loan market was less impacted with eight new transactions for \$4.1 billion. The leveraged loan year-to-date volume, which had been lagging the high yield bond issuance volume, is now in line with the historical patterns and has surpassed the high-yield bond year-to-date volume.

Based on feedback from private debt investors, we expect the activity in the U.S. private debt markets to continue at a healthy pace with minimal impact from the developments in Greece.

For B2/B rated issues, yields for the secondary leveraged loan market increased 1 bp, ending the week at 5.81%, while yields for the secondary high-yield bond market increased 11 bps, ending the week at 6.47%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 66 bps.

This week, loan and high-yield funds saw \$18.5 million in inflows and \$45 million in inflows, respectively. Year-to-date, loan funds have seen \$4.1 billion in outflows, while high-yield funds have seen \$1.3 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 Leveraged Loan Issues⁽¹⁾⁽²⁾

Company (<\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Filtration Group (TLB)	B2	B	Manufacturing	\$93.0	1.00%	L + 325	99.5	NA	GS	Madison Capital	Acquisition
Peacock Engineering (RC)	NR	NR	Transportation	\$35.0	TBD	TBD	TBD	NA	GE	Charlesbank Capital	Acquisition
Peacock Engineering (TLB)	NR	NR	Transportation	\$285.0	1.00%	L + 425	99.0	NA	GE	Charlesbank Capital	Acquisition
Precyse Solutions (RC)	NR	NR	Services & Leasing	\$20.0	TBD	TBD	TBD	NA	GE	Pamplona Capital	LBO
Precyse Solutions (TLB)	NR	NR	Services & Leasing	\$110.0	1.00%	L + 475	99.0	NA	GE	Pamplona Capital	LBO
Recorded Books (RC)	NR	NR	Printing	\$20.0	TBD	TBD	TBD	NA	BNP	Shamrock Capital	LBO
Recorded Books (TLB)	NR	NR	Printing	\$107.5	1.00%	L + 450	99.0	NA	BNP	Shamrock Capital	LBO

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Chelsea Petroleum Products (RC)	NR	NR	Oil & Gas	\$700.0	TBD	TBD	TBD	NA	BMO	ArcLight Capital	LBO
Chelsea Petroleum Products (TLB)	Ba3	BB-	Oil & Gas	\$425.0	1.00%	L + 425	99.0	NA	BS	ArcLight Capital	LBO
Eldorado Resorts (RC)	NR	BB-	Gaming & Hotel	\$150.0	TBD	TBD	TBD	5.6x	JPM	Not Sponsored	Acquisition
Eldorado Resorts (TLB)	NR	BB-	Gaming & Hotel	\$425.0	1.00%	L + 375	TBD	5.6x	JPM	Not Sponsored	Acquisition
Vistra Holdings (RC)	B1	B+	Services & Leasing	\$25.0	TBD	TBD	TBD	NA	GS	Baring Private Equity	LBO
Vistra Holdings (TLB)	B1	B	Services & Leasing	\$412.0	1.00%	L + 400	99.0	NA	GS	Baring Private Equity	LBO
Vistra Holdings (2nd)	B2	CCC+	Services & Leasing	\$148.0	1.00%	L + 800	98.5	NA	GS	Baring Private Equity	LBO
Universal Services of America (RC)	NR	NR	Services & Leasing	\$130.0	TBD	TBD	TBD	NA	CS	Warburg Pincus	LBO
Universal Services of America (TLB)	NR	NR	Services & Leasing	\$760.0	1.00%	L + 375	99.0	NA	CS	Warburg Pincus	LBO
Universal Services of America (2nd)	NR	NR	Services & Leasing	\$320.0	1.00%	L + 775	99.0	NA	CS	Warburg Pincus	LBO

New Investment Grade Bond Issues

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
Commonwealth Bank of Australia	Aaa	NR	Financial	\$1,000.0	7/22/20	+ 60	2.1%	2.1%	Covered Bonds
Westpac banking	Aaa	NR	Financial	\$800.0	7/16/18	TBD	0.3%	TBD	Sub Notes
Toyota Motor Credit	Aa3	AA-	Services & Leasing	\$1,250.0	7/13/18	+ 70	1.6%	1.6%	Senior Notes
Toyota Motor Credit	Aa3	AA-	Services & Leasing	\$500.0	7/13/18	FRN	0.7%	FRN	Senior Notes
Toyota Motor Credit	Aa3	AA-	Services & Leasing	\$500.0	7/13/22	+ 93	2.8%	2.8%	Senior Notes
American Honda Finance	A1	A+	Services & Leasing	\$750.0	7/13/18	+ 70	1.6%	1.6%	Senior Notes
American Honda Finance	A1	A+	Services & Leasing	\$500.0	7/13/18	FRN	0.7%	FRN	Senior Notes
John Deere Capital	A2	A	Services & Leasing	\$500.0	7/13/18	+ 68	1.6%	1.6%	Senior Notes
John Deere Capital	A2	A	Services & Leasing	\$500.0	7/14/20	+ 83	2.4%	2.4%	Senior Notes
American International Group	Baa1	A-	Insurance	\$1,250.0	7/10/25	+ 155	3.8%	3.8%	Senior Notes
American International Group	Baa1	A-	Insurance	\$750.0	7/10/45	+ 180	4.8%	4.8%	Senior Notes
American International Group	Baa1	A-	Insurance	\$500.0	7/10/35	+ 170	4.7%	4.7%	Senior Notes
Ventas Realty	Baa1	BBB+	Real Estate	\$500.0	1/15/26	+ 192	4.1%	4.2%	Senior Notes
CBS	Baa2	BBB	TV	\$800.0	1/1/26	+ 200	4.0%	4.2%	Senior Notes
Florida Gas Transmission	Baa2	BBB	Oil & Gas	\$500.0	7/15/25	+ 215	4.4%	4.4%	Sub Notes
AES Gener	Baa3	BBB-	Utilities	\$425.0	7/14/25	+ 275	5.0%	5.1%	Senior Notes
CCO Safari	Ba1	BBB-	Cable	\$4,500.0	7/23/25	+ 260	4.9%	4.9%	Senior Notes
CCO Safari	Ba1	BBB-	Cable	\$3,500.0	10/23/45	+ 335	6.5%	6.5%	Senior Notes
CCO Safari	Ba1	BBB-	Cable	\$3,000.0	7/23/22	+ 245	4.5%	4.5%	Senior Notes
CCO Safari	Ba1	BBB-	Cable	\$2,000.0	7/23/20	+ 200	3.6%	3.6%	Senior Notes
CCO Safari	Ba1	BBB-	Cable	\$2,000.0	10/23/35	+ 325	6.4%	6.4%	Senior Notes
CCO Safari	Ba1	BBB-	Cable	\$500.0	10/23/55	+ 370	6.8%	6.8%	Senior Notes
General Motors Financial	Ba1	BBB-	Services & Leasing	\$1,500.0	7/13/20	+ 170	3.2%	3.2%	Senior Notes
General Motors Financial	Ba1	BBB-	Services & Leasing	\$800.0	7/13/25	+ 210	4.3%	4.3%	Senior Notes

⁽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

Total Debt Volume

Bond Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$28,825	24	\$687,905	840	\$563,980	779	+22.0%	+7.8%
High-Yield ⁽¹⁾	\$0	0	\$167,095	269	\$184,542	335	(9.5%)	(19.7%)
Total Bonds	\$28,825	24	\$855,000	1,109	\$748,522	1,114	+14.2%	(0.4%)

Leveraged Loan Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans ⁽¹⁾	\$4,166	8	\$183,504	339	\$305,326	532	(39.9%)	(36.3%)

Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.64%	0.68%	(4.0)	0.49%	15.0
5 yr UST	1.64%	1.70%	(6.0)	1.71%	(7.0)
10 yr UST	2.40%	2.40%	0.0	2.64%	(24.0)
30 yr UST	3.19%	3.16%	3.0	3.46%	(27.0)
3M LIBOR	0.28%	0.28%	0.2	0.23%	4.9

⁽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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