

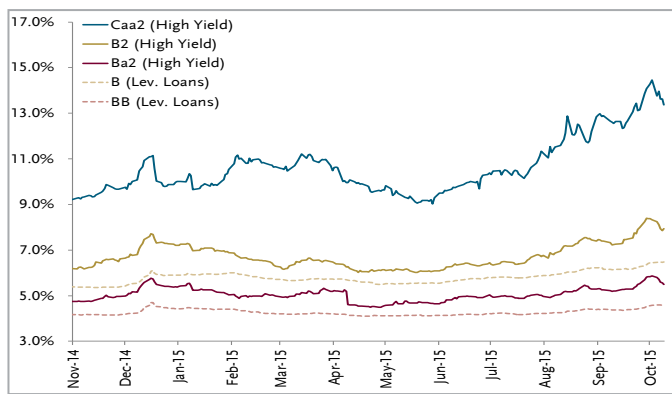
Piper Jaffray Debt Capital Markets Update

Issue No. 382: October 12, 2015

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

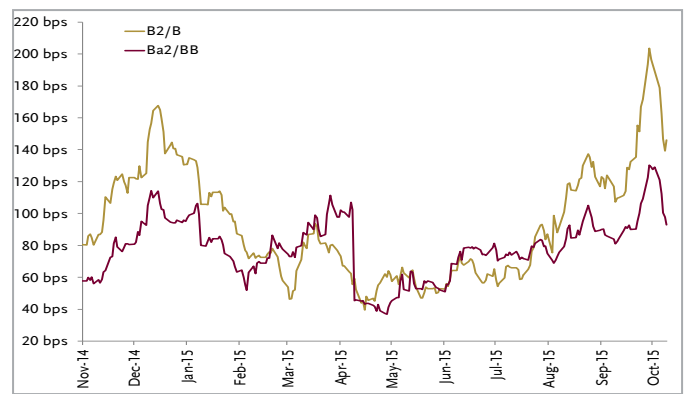
LOAN & BOND YIELDS AND VOLUME

Leveraged Loan & HY Yields by Rating



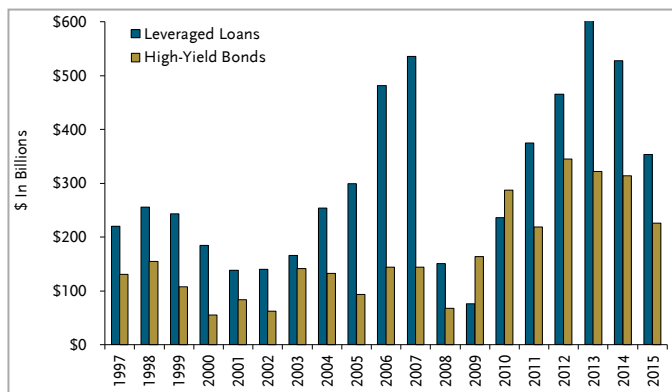
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



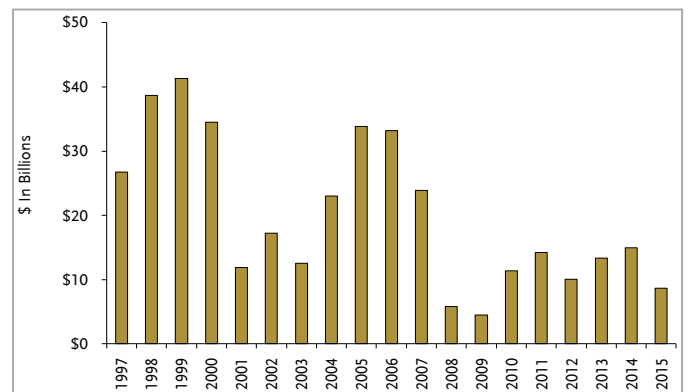
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

The high-yield market priced one bond last week, bringing weekly and year-to-date issuance to \$0.4 billion and more than \$206.5 billion, respectively. There were seven new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$5.1 billion and \$272.5 billion, respectively.

For B2/B rated issues, yields for the secondary leveraged loan market increased 3 bps, ending the week at 6.47%, while yields for the secondary high-yield bond market decreased 40 bps, ending the week at 7.93%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 146 bps.

This week, loan and high-yield funds saw \$355.0 million in outflows and \$735.0 million in inflows, respectively. Year-to-date, loan funds have seen \$9.2 billion in outflows, while high-yield funds have seen \$4.3 billion in outflows.

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										
Scotts Miracle-Gro	B1	B+	Chemicals	\$400.0	10/15/23	6.0%	6.0%	100.0	BOA	Unsecured	Not Sponsored	Refinancing

New Leveraged Loan Issues⁽¹⁾⁽²⁾

Company (<\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Affordable Care (RC)	NR	NR	Healthcare	\$40.0	TBD	TBD	TBD	NA	Jefferies	Berkshire Hathaway	LBO
Affordable Care (TLB)	B2	NR	Healthcare	\$325.0	1.00%	L + 425	99.0	NA	Jefferies	Berkshire Hathaway	LBO
Cowlitz Tribal Gaming (RC)	NR	B	Entertainment	\$75.0	TBD	TBD	TBD	NA	BOA	Not Sponsored	Project Financing
Cowlitz Tribal Gaming (TLB)	NR	B	Entertainment	\$410.0	1.00%	L + 850	98.0	NA	BOA	Not Sponsored	Project Financing
American Apparel (RC)	NR	NR	Textile & Apparel	\$60.0	TBD	L + 700	TBD	NA	SG	Not Sponsored	DIP
American Apparel (TLB)	NR	NR	Textile & Apparel	\$30.0	TBD	L + 700	TBD	NA	SG	Not Sponsored	DIP

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Computer Sciences (RC)	NR	NR	Computers	\$500.0	TBD	TBD	TBD	NA	Mitsubishi	Not Sponsored	Merger
Computer Sciences (TLA)	Ba2	BB+	Computers	\$1,500.0	TBD	L + 175	TBD	NA	Mitsubishi	Not Sponsored	Merger
B&G Foods (TLB)	Ba3	BB+	Food & Beverage	\$500.0	0.75%	L + 325	99.5	5.8x	Barclays	Not Sponsored	Acquisition
OM Group (RC)	Ba3	B	Chemicals	\$75.0	TBD	TBD	TBD	NA	CS	Apollo	LBO
OM Group (TLB)	Ba3	B	Chemicals	\$300.0	1.00%	L + 550	98.0	NA	CS	Apollo	LBO
OM Group (2nd)	B3	B-	Chemicals	\$125.0	1.00%	L + 950	97.0	NA	CS	Apollo	LBO
AssuredPartners (RC)	B1	B	Services & Leasing	\$127.5	TBD	TBD	TBD	NA	BOA	Apax Partners	LBO
AssuredPartners (TLB)	B1	B	Services & Leasing	\$762.0	1.00%	L + 450	98.5	NA	BOA	Apax Partners	LBO
AssuredPartners (2nd)	Caa2	CCC+	Services & Leasing	\$337.0	1.00%	L + 900	97.0	NA	BOA	Apax Partners	LBO

New Investment Grade Bond Issues

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
Royal Bank of Canada	Aaa	AAA	Services & Leasing	\$1,750.0	10/14/20	+ 78	2.1%	2.1%	Covered Bonds
MidAmerican Energy Holdings	Aa2	A	Utilities	\$450.0	5/1/46	+ 135	4.3%	4.3%	Mortgage Bonds
MidAmerican Energy Holdings	Aa2	A	Utilities	\$200.0	10/15/24	+ 100	3.5%	3.1%	Mortgage Bonds
Banque Fédérative du Crédit Mutuel	Aa3	A	Services & Leasing	\$1,000.0	10/15/20	+ 140	2.8%	2.8%	Senior Notes
Jackson National Life	A1	AA	Insurance	\$500.0	10/15/18	+ 98	1.9%	1.9%	Senior Notes
Jackson National Life	A1	AA	Insurance	\$250.0	10/13/17	FRN	0.9%	FRN	Senior Notes
Pepsico	A1	A	Food & Beverage	\$1,100.0	10/14/20	+ 77	2.2%	2.2%	Senior Notes
Pepsico	A1	A	Food & Beverage	\$750.0	4/14/46	+ 150	4.5%	4.5%	Senior Notes
Pepsico	A1	A	Food & Beverage	\$700.0	10/13/17	FRN	0.8%	FRN	Senior Notes
Pepsico	A1	A	Food & Beverage	\$450.0	10/13/17	+ 47	1.0%	1.1%	Senior Notes
Invesco	A2	A	Services & Leasing	\$500.0	1/15/26	+ 170	3.8%	3.8%	Senior Notes
Rolls-Royce	A3	A	Aerospace & Defense	\$1,000.0	10/14/25	+ 160	3.6%	3.6%	Senior Notes
Rolls-Royce	A3	A	Aerospace & Defense	\$500.0	10/14/20	+ 105	2.4%	2.4%	Senior Notes
Kimco Realty	Baa1	BBB+	Real Estate	\$500.0	11/1/22	+ 175	3.4%	+ 0	Senior Notes
Host Hotels & Resorts	Baa2	BBB	Real Estate	\$400.0	2/1/26	+ 248	4.5%	4.5%	Senior Notes
Ford Motor Credit	Baa3	BBB-	Services & Leasing	\$1,000.0	10/5/18	+ 167	2.6%	2.6%	Senior Notes
Turkcell Iletisim Hizmetleri	Baa3	BBB-	Telecom	\$500.0	10/15/25	+ 388	5.8%	6.0%	Senior Notes
General Motors Financial	Ba1	BBB-	Services & Leasing	\$1,500.0	1/15/19	+ 220	3.1%	3.1%	Senior Notes
General Motors Financial	Ba1	BBB-	Services & Leasing	\$250.0	1/15/19	FRN	2.4%	FRN	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	\$13,300	19	\$948,485	1,155	\$781,599	1,101	+21.4%	+4.9%
High-Yield ⁽¹⁾	\$400	1	\$206,550	329	\$261,997	487	(21.2%)	(32.4%)
Total Bonds	\$13,700	20	\$1,155,035	1,484	\$1,043,596	1,588	+10.7%	(6.5%)

Leveraged Loan Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans ⁽¹⁾	\$5,167	7	\$272,548	464	\$436,989	742	(37.6%)	(37.5%)

Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.65%	0.58%	7.0	0.46%	19.0
5 yr UST	1.40%	1.29%	11.0	1.58%	(18.0)
10 yr UST	2.12%	1.99%	13.0	2.34%	(22.0)
30 yr UST	2.96%	2.82%	14.0	3.07%	(11.0)
3M LIBOR	0.32%	0.33%	(0.7)	0.23%	9.2

⁽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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