

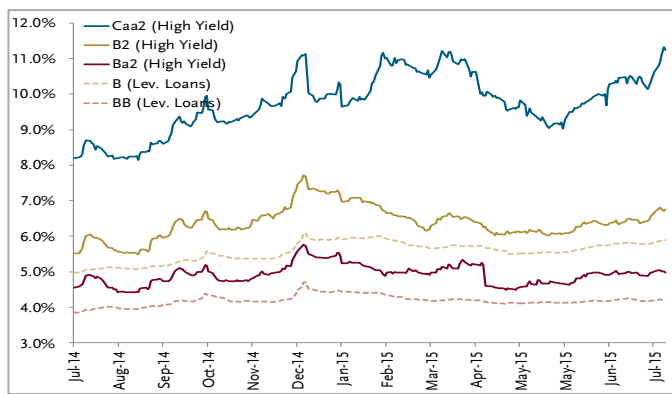
Piper Jaffray Debt Capital Markets Update

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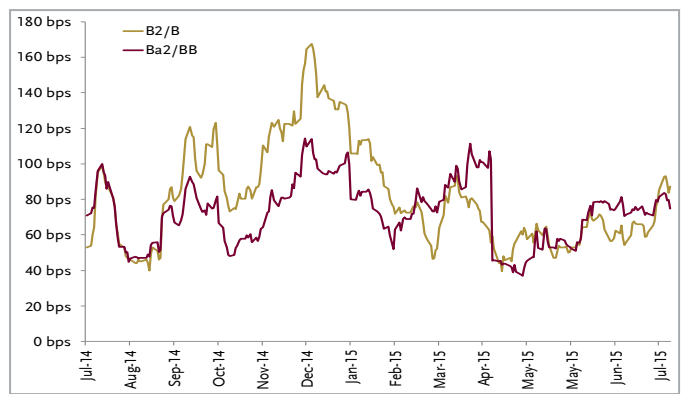
LOAN & BOND YIELDS AND VOLUME

Leveraged Loan & HY Yields by Rating



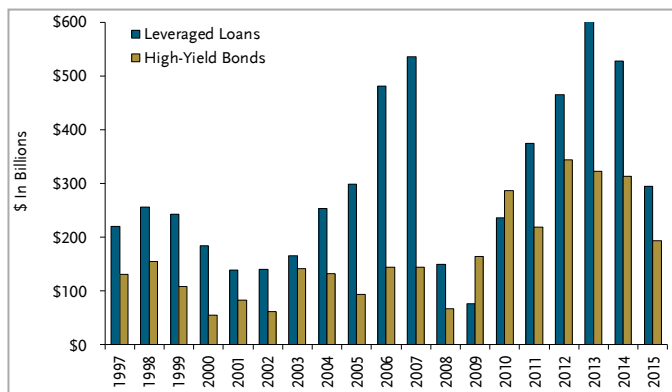
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



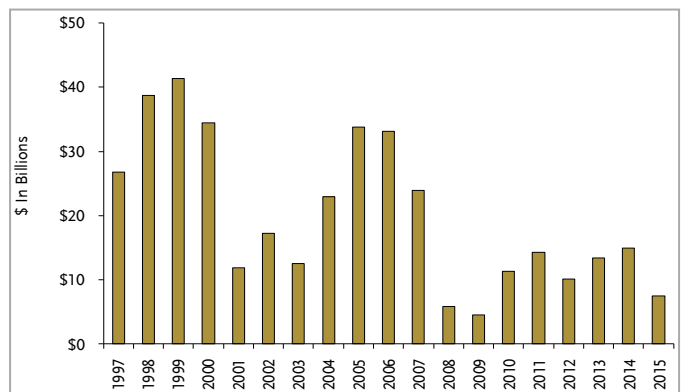
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

The high-yield market priced four bonds last week, bringing weekly and year-to-date issuance to more than \$2.4 billion and \$177.0 billion, respectively. There were 20 new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$20.6 billion and \$232.8 billion, respectively.

For B2/B rated issues, yields for the secondary leveraged loan market increased 6 bps, ending the week at 5.89%, while yields for the secondary high-yield bond market increased 8 bps, ending the week at 6.76%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 87 bps.

This week, loan and high-yield funds saw \$13.0 million in outflows and \$1.7 billion in outflows, respectively. Year-to-date, loan funds have seen \$3.9 billion in outflows, while high-yield funds have seen \$849.0 million 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										
Cable & Wireless Communications	Ba3	B	Telecom	\$750.0	8/1/22	6.9%	7.1%	98.6	JPM	Unsecured	Not Sponsored	Refinancing
TerraForm Global	B2	B+	Utilities	\$810.0	8/15/22	9.8%	10.0%	98.8	JPM	Unsecured	Not Sponsored	Project Financing
Euramax International	Caa2	B-	Building Materials	\$385.0	8/15/20	12.0%	12.0%	100.0	DB	Unsecured	Goldman Sachs	Refinancing
Alliant Insurance Services	Caa2	CCC+	Insurance	\$535.0	8/1/23	8.3%	8.3%	100.0	UBS	Unsecured	Stone Point 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									
Emdeon Business Services (TLB)	Ba3	B+	Computers	\$395.0	1.25%	L + 250	99.5	6.3x	BOA	Blackstone	Acquisition
Garda World Security (TLB)	Ba3	B	Services & Leasing	\$100.0	1.00%	L + 300	99.0	NA	Jefferies	Apax Partners	Acquisition
Amaya Gaming Group (TLB)	B1	BB	Gaming & Hotel	\$200.0	1.00%	L + 400	TBD	NA	DB	Not Sponsored	Refinancing
Alion Science & Technology (RC)	B1	BB-	Services & Leasing	\$40.0	TBD	TBD	TBD	NA	UBS	Veritas Capital	LBO
Alion Science & Technology (TLB)	B1	B	Services & Leasing	\$300.0	1.00%	L + 500	99.0	NA	UBS	Veritas Capital	LBO
CPI Card Group (RC)	B1	BB-	Computers	\$40.0	TBD	TBD	TBD	NA	GS	Tricor Pacific	Stock Repurchase
CPI Card Group (TLB)	B1	BB-	Computers	\$435.0	1.00%	L + 400	99.0	NA	GS	Tricor Pacific	Stock Repurchase
Albany Molecular Research (RC)	B1	B+	Healthcare	\$30.0	TBD	TBD	TBD	NA	Barclays	Not Sponsored	Acquisition
Albany Molecular Research (TLB)	B1	B+	Healthcare	\$200.0	1.00%	L + 475	99.0	NA	Barclays	Not Sponsored	Acquisition
Electrical Components Intl. (TLB)	B1	B+	Computers	\$50.0	1.00%	L + 475	99.5	NA	BOA	KPS Capital	Dividend Recap
PetroChoice (RC)	NR	B+	Oil & Gas	\$40.0	TBD	TBD	TBD	6.2x	Barclays	Golden Gate	LBO
PetroChoice (TLB)	NR	B+	Oil & Gas	\$235.0	1.00%	L + 375	99.0	6.2x	Barclays	Golden Gate	LBO
PetroChoice (2nd)	NR	CCC+	Oil & Gas	\$90.0	1.00%	L + 775	98.5	6.2x	Barclays	Golden Gate	LBO
PODS (TLB)	B1	B+	Transportation	\$459.0	1.00%	L + 350	99.5	NA	MS	Ontario Teachers	Refinancing
Graton Resort & Casino (TLB)	B2	B+	Gaming & Hotel	\$225.0	1.00%	L + 400	99.5	NA	BOA	Not Sponsored	Refinancing
ICON Health & Fitness (TLB)	B2	B-	Entertainment	\$160.0	1.00%	L + 575	99.0	NA	BOA	Not Sponsored	Refinancing
ICON Health & Fitness (2nd)	B3	CCC	Entertainment	\$60.0	1.00%	L + 975	98.0	NA	BOA	Not Sponsored	Refinancing
Jet Support Services (TLB)	NR	NR	Aero. & Def.	\$175.0	1.00%	L + 600	99.0	NA	UBS	1848 Capital	Dividend Recap

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
DTZ Holdings (RC)	B1	B+	Real Estate	\$175.0	TBD	TBD	TBD	NA	UBS	Texas Pacific	Acquisition
DTZ Holdings (TLB)	B1	B+	Real Estate	\$1,055.0	1.00%	L + 375	99.5	NA	UBS	Texas Pacific	Acquisition
Knowledge Universe Ed. (RC)	B1	B	Not for Profit	\$80.0	TBD	TBD	TBD	5.7x	CS	Partners Group	LBO
Knowledge Universe Ed. (TLB)	B1	B	Not for Profit	\$645.0	1.00%	L + 475	99.0	5.7x	CS	Partners Group	LBO
Knowledge Universe Ed. (2nd)	Caa1	B	Not for Profit	\$200.0	1.00%	L + 875	99.0	5.7x	CS	Partners Group	LBO
Party City Holdings (RC)	NR	NR	Retail	\$540.0	TBD	TBD	TBD	NA	DB	Thomas H. Lee	Refinancing
Party City Holdings (TLB)	B1	B	Retail	\$1,340.0	1.00%	L + 325	99.5	NA	DB	Thomas H. Lee	Refinancing
SITEL (RC)	NR	B	Services & Leasing	\$60.0	TBD	TBD	TBD	NA	Soc. Gen.	Creadev	LBO
SITEL (TLB)	NR	B	Services & Leasing	\$365.0	1.00%	L + 475	99.0	NA	Soc. Gen.	Creadev	LBO
SITEL (2nd)	NR	B-	Services & Leasing	\$120.0	1.00%	L + 875	98.0	NA	BNP	Creadev	LBO
US LBM Holdings (RC)	NR	NR	Building Materials	\$175.0	TBD	TBD	TBD	NA	CS	Kelso	LBO
US LBM Holdings (TLB)	B3	NR	Building Materials	\$650.0	1.00%	L + 450	99.0	NA	CS	Kelso	LBO
US LBM Holdings (2nd)	Caa2	NR	Building Materials	\$150.0	1.00%	L + 850	98.5	NA	CS	Kelso	LBO
Antares Capital (RC)	NR	NR	Services & Leasing	\$3,000.0	TBD	L + 225	TBD	NA	DB	CPPIB Equity	Acquisition
Antares Capital (TLA)	NR	NR	Services & Leasing	\$7,700.0	TBD	L + 225	TBD	NA	DB	CPPIB Equity	Acquisition
EMI Music Publishing (RC)	NR	NR	Film	\$50.0	TBD	TBD	TBD	NA	UBS	Not Sponsored	Dividend Recap
EMI Music Publishing (TLB)	NR	NR	Film	\$1,120.0	1.00%	TBD	99.5	NA	UBS	Not Sponsored	Dividend Recap

New Investment Grade Bond Issues

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
DBS Bank	Aaa	NR	Services & Leasing	\$1,000.0	8/5/18	+ 60	1.6%	1.6%	Senior Notes
ANZ New Zealand	Aa3	AA-	Services & Leasing	\$750.0	8/6/20	+ 125	2.9%	2.9%	Senior Notes
Bank of Montreal	Aa3	A+	Services & Leasing	\$750.0	7/31/18	+ 83	1.8%	1.8%	Senior Notes
Bank of Montreal	Aa3	A+	Services & Leasing	\$500.0	7/31/18	TBD	0.6%	TBD	Senior Notes
Unilever Capital	A1	A+	Food & Beverage	\$500.0	7/30/20	+ 63	2.1%	2.2%	Senior Notes
Unilever Capital	A1	A+	Food & Beverage	\$500.0	7/30/25	+ 98	3.1%	3.2%	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

New Investment Grade Bond Issues (Cont.)

Company	Ratings		Industry	Amount (\$MM)	Maturity	Spread	Coupon	Yield	Issue Type
	Moody's	S&P							
Sherwin-Williams	A2	A	Chemicals	\$400.0	8/1/25	+ 120	3.5%	3.5%	Senior Notes
Sherwin-Williams	A2	A	Chemicals	\$400.0	8/1/45	+ 160	4.6%	4.6%	Senior Notes
American Express Credit	A2	A-	Services & Leasing	\$900.0	7/31/18	+ 83	1.8%	1.8%	Senior Notes
American Express Credit	A2	A-	Services & Leasing	\$500.0	7/31/18	TBD	0.6%	TBD	Senior Notes
Daimler Finance North America	A3	A-	Services & Leasing	\$1,000.0	8/3/18	+ 105	2.0%	2.1%	Senior Subordinated
Daimler Finance North America	A3	A-	Services & Leasing	\$850.0	8/3/20	+ 115	2.7%	2.7%	Senior Subordinated
Daimler Finance North America	A3	A-	Services & Leasing	\$550.0	8/3/17	TBD	0.7%	TBD	Senior Subordinated
Daimler Finance North America	A3	A-	Services & Leasing	\$500.0	8/3/25	+ 130	3.5%	3.6%	Senior Subordinated
Daimler Finance North America	A3	A-	Services & Leasing	\$450.0	8/3/17	+ 95	1.6%	1.6%	Senior Subordinated
Daimler Finance North America	A3	A-	Services & Leasing	\$150.0	2/3/17	TBD	0.6%	TBD	Senior Subordinated
Rabobank	A3	BBB+	Services & Leasing	\$1,500.0	8/4/25	+ 215	4.4%	4.4%	Sub Notes
Rabobank	A3	BBB+	Services & Leasing	\$1,250.0	8/4/45	+ 230	5.3%	5.3%	Sub Notes
Bank of America	Baa1	A-	Services & Leasing	\$2,500.0	8/1/25	+ 167	3.9%	3.9%	Senior Notes
Canadian Pacific Railway	Baa1	BBB+	Transportation	\$550.0	8/1/45	+ 180	4.8%	4.8%	Senior Notes
Canadian Pacific Railway	Baa1	BBB+	Transportation	\$250.0	2/26/26	+ 145	3.7%	3.7%	Senior Notes
CA Inc	Baa2	BBB+	Computers	\$400.0	8/1/20	+ 200	3.6%	3.6%	Senior Notes
Regions Bank	Baa3	BBB+	Services & Leasing	\$750.0	9/15/18	+ 127	2.5%	2.3%	Senior Notes
Citizens Financial Group	NR	BBB	Services & Leasing	\$250.0	8/1/25	+ 210	4.4%	4.4%	Sub Notes
Janus Capital Group	Baa3	BBB	Services & Leasing	\$300.0	8/1/25	+ 175	4.9%	5.0%	Senior Notes
Brixmor Operating Partnership	Baa3	BBB-	Real Estate	\$500.0	8/15/22	+ 200	3.9%	4.0%	Senior Notes
Ford Motor Credit	Baa3	BBB-	Services & Leasing	\$1,300.0	8/4/20	+ 155	3.2%	3.2%	Senior Notes
Ford Motor Credit	Baa3	BBB-	Services & Leasing	\$700.0	8/4/25	+ 188	4.1%	4.1%	Senior Notes
Hexcel	Baa3	BBB-	Building Materials	\$300.0	8/15/25	+ 245	4.7%	4.7%	Senior Notes

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	\$20,250	29	\$788,805	939	\$595,880	825	+32.4%	+13.8%
High-Yield ⁽¹⁾	\$2,480	4	\$177,055	286	\$199,827	373	(11.4%)	(23.3%)
Total Bonds	\$22,730	33	\$965,860	1,225	\$795,707	1,198	+21.4%	+2.3%

Leveraged Loan Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans ⁽¹⁾	\$20,659	20	\$232,895	394	\$343,408	606	(32.2%)	(35.0%)

Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.72%	0.70%	2.0	0.53%	19.0
5 yr UST	1.62%	1.64%	(2.0)	1.76%	(14.0)
10 yr UST	2.28%	2.27%	1.0	2.58%	(30.0)
30 yr UST	2.96%	2.96%	0.0	3.32%	(36.0)
3M LIBOR	0.31%	0.29%	1.5	0.24%	7.0

⁽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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