

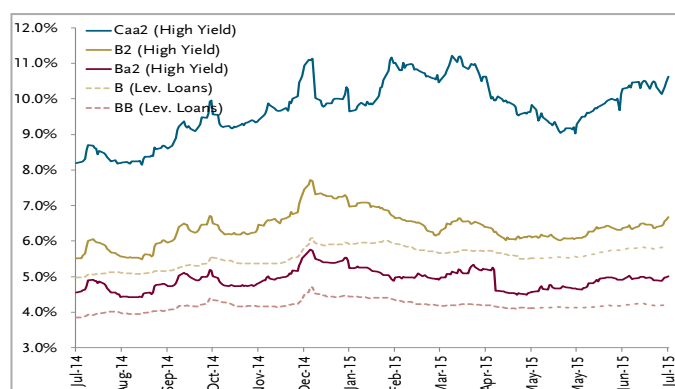
Piper Jaffray Debt Capital Markets Update

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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



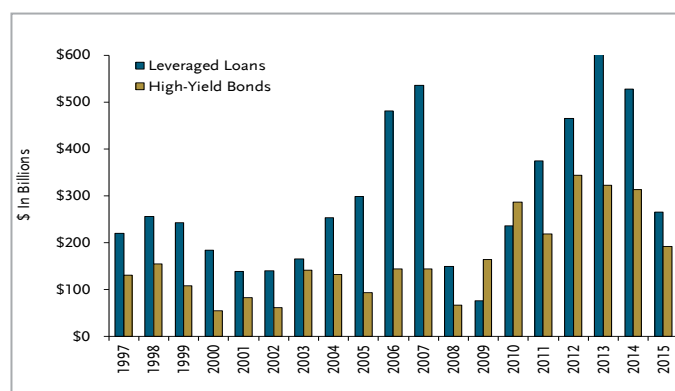
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



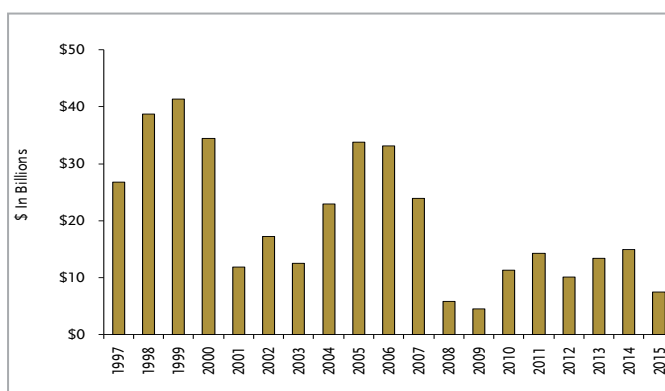
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

The high-yield market priced five bonds last week, bringing weekly and year-to-date issuance to more than \$3.3 billion and \$174.5 billion, respectively. There were 15 new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$14.8 billion and \$212.2 billion, respectively.

For B2/B rated issues, yields for the secondary leveraged loan market remained unchanged, ending the week at 5.78%, while yields for the secondary high-yield bond market increased 29 bps, ending the week at 6.68%. The yield spread between B2/B rated high-yield bonds and leveraged loans finished the week at 90 bps.

This week, loan and high-yield funds saw \$208 million in inflows and \$82 million in outflows, respectively. Year-to-date, loan funds have seen \$3.9 billion in outflows, while high-yield funds have seen \$2.6 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										
Softbank	Ba1	BB+	Computers	\$1,000.0	7/30/22	5.4%		100.0	DB	Unsecured	Not Sponsored	Refinancing
Softbank	Ba1	BB+	Computers	\$1,000.0	7/30/25	6.0%	6.0%	100.0	DB	Unsecured	Not Sponsored	Refinancing
Caleres	B1	BB	Retail	\$200.0	8/15/23	6.3%	6.3%	100.0	BOA	Unsecured	Not Sponsored	Refinancing
Kenan Advantage Group	B3	B-	Transportation	\$405.0	7/31/23	7.9%	7.9%	100.0	GS	Unsecured	OMERS Capital	LBO
Builders FirstSource	Caa2	B-	Forest Product	\$700.0	8/15/23	10.8%	10.8%	100.0	Citigroup	Unsecured	Not Sponsored	Acquisition

New Leveraged Loan Issues⁽¹⁾⁽²⁾

Company (<\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Ardent Health Services (TLB)	B1	B	Healthcare	\$250.0	1.00%	L + 575	99.0	NA	BOA	Not Sponsored	Corp Purpose
Mohegan Tribal Gaming (TLB)	B2	B-	Gaming & Hotel	\$90.0	1.00%	L + 450	99.5	NA	Citizens	Not Sponsored	Refinancing
Cast & Crew Entertainment (RC)	B2	NR	Services & Leasing	\$65.0	TBD	TBD	TBD	6.0x	RBC	Silver Lake Partners	LBO
Cast & Crew Entertainment (TLB)	B2	NR	Services & Leasing	\$270.0	1.00%	L + 375	99.0	6.0x	RBC	Silver Lake Partners	LBO
Cast & Crew Entertainment (2nd)	Caa2	NR	Services & Leasing	\$95.0	1.00%	L + 775	99.0	6.0x	RBC	Silver Lake Partners	LBO
Water Pik Technologies (TLB)	B2	B+	Healthcare	\$75.0	1.00%	L + 475	99.5	NA	GE Capital	MidOcean Partners	Dividend Recap
Water Pik Technologies (2nd)	Caa2	CCC+	Healthcare	\$35.0	1.00%	L + 875	99.3	NA	GE Capital	MidOcean Partners	Dividend Recap
888 Holdings (RC)	NR	NR	Services & Leasing	\$25.0	TBD	TBD	TBD	NA	Barclays	Not Sponsored	Acquisition
888 Holdings (TLB)	NR	NR	Services & Leasing	\$350.0	1.00%	L + 325	99.5	NA	Barclays	Not Sponsored	Acquisition
AccentCare (RC)	NR	NR	Healthcare	\$30.0	TBD	TBD	TBD	NA	GE Capital	Oak Hill Capital	Refinancing
AccentCare (TLB)	NR	NR	Healthcare	\$105.0	1.00%	L + 475	99.0	NA	GE Capital	Oak Hill Capital	Refinancing
AccentCare (2nd)	NR	NR	Healthcare	\$35.0	1.00%	L + 875	98.5	NA	GE Capital	Oak Hill Capital	Refinancing
Global Healthcare Exchange (RC)	NR	NR	Services & Leasing	\$25.0	TBD	TBD	TBD	4.9x	SunTrust	Thoma Bravo	Refinancing
Global Healthcare Exchange (TLB)	NR	NR	Services & Leasing	\$375.0	1.00%	L + 450	99.0	4.9x	SunTrust	Thoma Bravo	Refinancing

Company (>\$500M)	Ratings		Industry	Amount (\$MM)	Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P									
Hill-Rom Holdings (RC)	Ba1	NR	Healthcare	\$500.0	TBD	TBD	TBD	4.5x	GS	Not Sponsored	Acquisition
Hill-Rom Holdings (TLA)	Ba1	NR	Healthcare	\$1,000.0	TBD	TBD	TBD	4.5x	GS	Not Sponsored	Acquisition
Hill-Rom Holdings (TLB)	Ba1	NR	Healthcare	\$725.0	0.75%	L + 275	99.5	4.5x	GS	Not Sponsored	Acquisition
Pharmaceutical Product Dev. (RC)	Ba2	B+	Healthcare	\$300.0	TBD	TBD	TBD	NA	CS	Carlyle Group	Dividend Recap
Pharmaceutical Product Dev. (TLB)	Ba3	B+	Healthcare	\$2,575.0	1.00%	L + 350	99.5	NA	CS	Carlyle Group	Dividend Recap
Numericable (TLB)	Ba3	B+	Cable	\$550.0	0.75%	L + 325	99.8	3.1x	BNP Paribas	Not Sponsored	Refinancing
Navistar International (TLB)	Ba3	B-	Automotive	\$1,040.0	1.00%	L + 475	99.0	NA	JPM	Not Sponsored	Refinancing
Asurion (TLB)	Ba3	B	Insurance	\$700.0	1.00%	L + 400	99.5	NA	BOA	Madison Dearborn	Stock Repurchase
Asurion (2nd)	Caa1	CCC+	Insurance	\$450.0	1.00%	L + 750	99.0	NA	BOA	Madison Dearborn	Stock Repurchase
Lighttower Fiber Networks (TLB)	B1	B	Telecom	\$829.0	0.75%	L + 325	99.0	NA	JPM	Berkshire Partners	Merger
Avago Technologies (RC)	NR	NR	Computers	\$500.0	TBD	L + 150	TBD	2.7x	CS	Silver Lake	Acquisition
Avago Technologies (TLA)	NR	NR	Computers	\$3,250.0	TBD	L + 150	TBD	2.7x	CS	Silver Lake	Acquisition
Prolamina (RC)	NR	NR	Forest Product	\$50.0	TBD	TBD	TBD	NA	RBC	Wellspring Capital	Merger
Prolamina (TLB)	NR	NR	Forest Product	\$400.0	1.00%	L + 375	99.0	NA	RBC	Wellspring Capital	Merger
Prolamina (2nd)	NR	NR	Forest Product	\$110.0	1.00%	L + 800	98.5	NA	RBC	Wellspring Capital	Merger

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	\$500.0	7/23/18	FRN	0.3%	FRN	Covered Bonds
Royal Bank of Canada	Aa3	AA-	Services & Leasing	\$1,250.0	7/30/18	+ 75	1.8%	1.8%	Senior Notes
Royal Bank of Canada	Aa3	AA-	Services & Leasing	\$500.0	7/30/18	FRN	0.8%	FRN	Senior Notes
Petroleos Mexicanos	Aaa	AA+	Oil & Gas	\$525.0	12/15/25	+ 13	2.5%	2.5%	Bank Guaranteed
Intel	A1	A+	Computers	\$2,250.0	7/29/25	+ 140	3.7%	3.7%	Senior Notes
Intel	A1	A+	Computers	\$2,000.0	7/29/45	+ 185	4.9%	4.9%	Senior Notes
Intel	A1	A+	Computers	\$1,750.0	7/29/20	+ 80	2.5%	2.5%	Senior Notes
Intel	A1	A+	Computers	\$1,000.0	7/29/22	+ 105	3.1%	3.1%	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							
UnitedHealth Group	A3	A+	Insurance	\$2,000.0	7/15/45	+ 165	4.8%	4.8%	Senior Notes
UnitedHealth Group	A3	A+	Insurance	\$1,500.0	7/16/18	+ 85	1.9%	1.9%	Senior Notes
UnitedHealth Group	A3	A+	Insurance	\$1,000.0	7/15/22	+ 125	3.4%	3.4%	Senior Notes
UnitedHealth Group	A3	A+	Insurance	\$750.0	1/17/17	FRN	0.5%	FRN	Senior Notes
UnitedHealth Group	A3	A+	Insurance	\$750.0	7/17/17	+ 75	1.5%	1.5%	Senior Notes
Comerica	A3	A	Services & Leasing	\$350.0	7/27/25	+ 175	4.0%	4.1%	Bank Guar. Sub
Comerica	A3	A	Services & Leasing	\$175.0	6/2/20	+ 100	2.5%	2.7%	Bank Guar. Sub
Harley-Davidson Financial Services	A3	A-	Services & Leasing	\$450.0	7/28/25	+ 130	3.5%	3.6%	Senior Notes
Harley-Davidson Financial Services	A3	A-	Services & Leasing	\$300.0	7/28/45	+ 165	4.6%	4.6%	Senior Notes
Morgan Stanley	A3	A-	Services & Leasing	\$3,000.0	7/23/25	+ 165	4.0%	4.0%	Senior Notes
UnitedHealth Group	A3	A-	Insurance	\$2,000.0	7/15/25	+ 140	3.8%	3.8%	Senior Notes
UnitedHealth Group	A3	A-	Insurance	\$1,500.0	7/15/20	+ 100	2.7%	2.7%	Senior Notes
UnitedHealth Group	A3	A-	Insurance	\$1,000.0	7/15/35	+ 150	4.6%	4.6%	Senior Notes
Citigroup	Baa1	A-	Services & Leasing	\$1,250.0	7/30/18	+ 110	2.2%	2.2%	Senior Notes
Citigroup	Baa1	A-	Services & Leasing	\$1,250.0	7/30/45	+ 167	4.7%	4.7%	Senior Notes
Citigroup	Baa1	A-	Services & Leasing	\$500.0	7/30/18	FRN	1.2%	FRN	Senior Notes
Macquarie Bank	Baa1	A-	Services & Leasing	\$750.0	7/29/20	+ 125	2.9%	2.9%	Senior Notes
Macquarie Bank	Baa1	A-	Services & Leasing	\$500.0	7/29/20	FRN	1.4%	FRN	Senior Notes
Macquarie Bank	Baa1	A-	Services & Leasing	\$500.0	7/29/25	+ 175	4.0%	4.0%	Senior Notes
Fifth Third Bank	Baa1	BBB+	Services & Leasing	\$1,100.0	7/27/20	+ 123	2.9%	2.9%	Senior Notes
Valspar	Baa2	BBB	Chemicals	\$350.0	1/15/26	+ 168	4.0%	4.0%	Senior Notes
ABN Amro	Baa3	BBB-	Services & Leasing	\$1,500.0	7/28/25	+ 245	4.8%	4.8%	Sub Notes
Kansas City Southern	Baa3	BBB-	Transportation	\$500.0	8/15/45	+ 190	5.0%	5.0%	Senior Notes
Synchrony Financial	NR	BBB-	Services & Leasing	\$1,000.0	7/23/25	+ 217	4.5%	4.5%	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	\$33,750	32	\$768,555	910	\$590,430	813	+30.2%	+11.9%
High-Yield ⁽¹⁾	\$3,305	5	\$174,575	282	\$194,362	359	(10.2%)	(21.4%)
Total Bonds	\$37,055	37	\$943,130	1,192	\$784,792	1,172	+20.2%	+1.7%

	Previous Week		2015 YTD		2014 YTD		YOY Change	
Leveraged Loan Issues	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans ⁽¹⁾	\$14,804	15	\$212,236	374	\$334,116	584	(36.5%)	(36.0%)

Benchmark Yields

Benchmark	Current	Previous Week	Δ (bps)	Previous Year	Δ (bps)
2 yr UST	0.68%	0.65%	3.0	0.47%	21.0
5 yr UST	1.67%	1.68%	(1.0)	1.65%	2.0
10 yr UST	2.34%	2.42%	(8.0)	2.47%	(13.0)
30 yr UST	3.08%	3.20%	(12.0)	3.27%	(19.0)
3M LIBOR	0.29%	0.29%	0.6	0.23%	5.8

⁽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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