

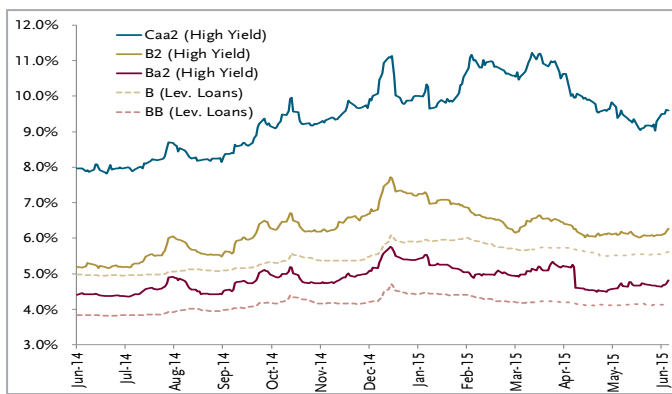
Piper Jaffray Debt Capital Markets Update

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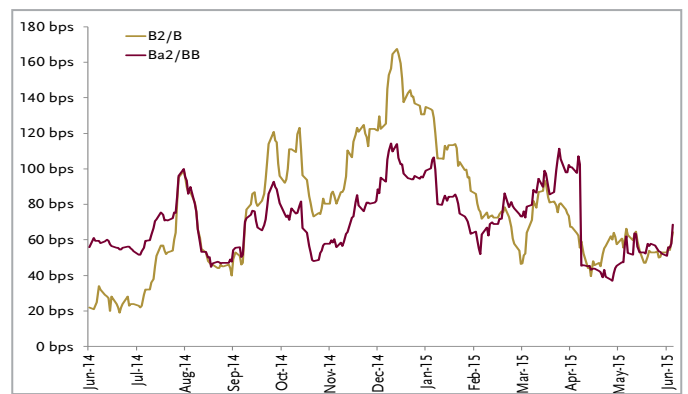
LOAN & BOND YIELDS AND VOLUME

Leveraged Loan & HY Yields by Rating



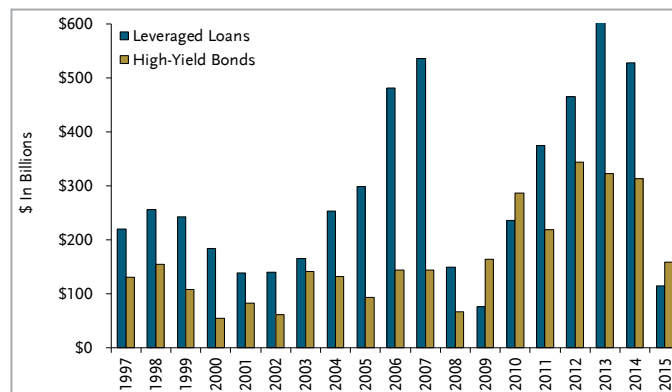
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Yield Spread



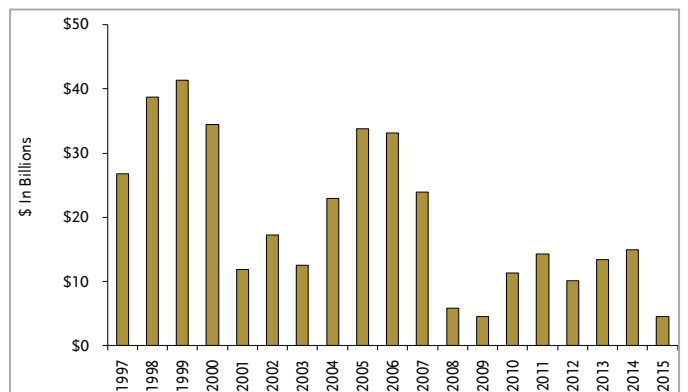
Source: AdvantageData, S&P LCD

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



Source: S&P LCD

MARKET COMMENTARY

The high-yield market priced 15 bonds last week, bringing weekly and year-to-date issuance to more than \$9.2 billion and \$155.5 billion, respectively. There were 13 new leveraged loan transactions last week, bringing weekly and year-to-date issuance to more than \$13.1 billion and \$153.9 billion, respectively.

For B2/B-rated issues, yields for the secondary leveraged loan market increased 7 bps, ending the week at 5.62%, while yields for the secondary high-yield bond market increased 18 bps, ending the week at 6.26%. The yield spread between B2/B-rated high-yield bonds and leveraged loans finished the week at 64 bps.

This week, loan and high-yield funds saw \$94 million in outflows and \$601 million in inflows, respectively. Year-to-date, loan funds have seen \$3.1 billion in outflows, while high-yield funds have seen \$9.0 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		Maturity	Coupon	Yield	Price	Lead		Sponsor	Purpose
	Moody's	S&P		(\$MM)						Bookrunner	Security		
DuPont Fabros Technology	Ba1	BB	Real Estate	\$250		6/15/23	5.6%	5.8%	99.2	SunTrust	Unsecured	Not Sponsored	Refinancing
Tenet Healthcare	Ba2	BB-	Healthcare	\$900		6/15/20	L + 350	FRN	99.5	Barclays	Secured	WCAS	Merger
NXP Semiconductors	Ba3	BB	Computers	\$600		6/15/20	4.1%	4.1%	100.0	CS	Unsecured	KKR	Merger
NXP Semiconductors	Ba3	BB	Computers	\$400		6/15/22	4.6%	4.6%	100.0	CS	Unsecured	KKR	Merger
CEB	Ba3	BB-	Services & Leasing	\$250		6/15/23	5.6%	5.6%	100.0	SunTrust	Unsecured	Not Sponsored	Refinancing
Cable One	B1	BB	Cable	\$450		6/15/22	5.8%	5.8%	100.0	JPM	Unsecured	Not Sponsored	Spinoff
XPO Logistics	B1	B	Transportation	\$1,600		6/15/22	6.5%	6.5%	100.0	MS	Unsecured	Not Sponsored	Acquisition
Ferrellgas Partners	B2	B+	Utilities	\$500		6/15/23	6.8%	6.8%	100.0	JPM	Unsecured	Not Sponsored	Acquisition
Global Partners	B2	B+	Oil & Gas	\$300		6/15/23	7.0%	7.0%	100.0	BOA	Unsecured	Not Sponsored	Bank Debt
AMC Entertainment	B3	B	Entertainment	\$600		6/15/25	5.8%	5.8%	100.0	Citigroup	Unsecured	Not Sponsored	Bonds
Tenet Healthcare	B3	CCC+	Healthcare	\$1,900		6/15/23	6.8%	6.8%	99.5	Barclays	Unsecured	WCAS	Merger
Life Time Fitness	Caa1	CCC+	Entertainment	\$450		6/15/23	8.5%	8.5%	100.0	GS	Unsecured	Leonard Green	LBO
Informatica	Caa2	CCC+	Computers	\$650		7/12/23	7.1%	7.1%	100.0	GS	Unsecured	Permira	LBO
Company (Tapped Issues)	Ratings		Industry	Amount		Maturity	Coupon	Yield	Price	Lead		Sponsor	Purpose
Moody's	S&P	(\$MM)			Bookrunner					Security			
Consolidated Communications	B3	B-	Telecom	\$300		10/1/22	6.5%	6.8%	98.3	MS	Unsecured	Not Sponsored	General
PaperWorks Industries	B3	B-	Forest Product	\$90		8/15/19	9.5%	9.8%	99.0	Jefferies	Secured	Sun Capital	Acquisition

New Leveraged Loan Issues⁽¹⁾⁽²⁾

Company (<\$500M)	Ratings		Industry	Amount		Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
	Moody's	S&P		(\$MM)								
Falcon Group (TLB)	Ba3	BB+	Services & Leasing	\$250.0	1.00%	L + 475	99.0	NA	JPM	Not Sponsored	Corp Purpose	
SBA Communications (TLB)	B1	BB	Telecom	\$500.0	0.75%	L + 250	99.0	NA	Citigroup	Not Sponsored	Refinancing	
Zep (RC)	B2	B+	Consumer	\$42.5	TBD	TBD	TBD	NA	Jefferies	New Mountain	LBO	
Zep (TLB)	B2	B+	Consumer	\$360.0	1.00%	L + 500	99.0	NA	Jefferies	New Mountain	LBO	
PlayPower (RC)	Caa2	CCC+	Manufacturing	\$30.0	TBD	TBD	TBD	5.0x	Soc. Gen.	Littlejohn	LBO	
PlayPower (TLB)	Caa2	CCC+	Manufacturing	\$150.0	1.00%	L + 475	99.0	5.0x	Soc. Gen.	Littlejohn	LBO	
PlayPower (2nd)	B2	B	Manufacturing	\$44.0	1.00%	L + 850	98.5	5.0x	Soc. Gen.	Littlejohn	LBO	
Aristotle (RC)	NR	NR	Healthcare	\$30.0	TBD	TBD	TBD	NA	BNP Paribas	Wasserstein & Co	LBO	
Aristotle (TLB)	NR	NR	Healthcare	\$130.0	1.00%	L + 475	99.0	NA	BNP Paribas	Wasserstein & Co	LBO	
Liquid Web (RC)	NR	NR	Computers	\$20.0	TBD	TBD	TBD	4.3x	SunTrust	Madison Dearborn	LBO	
Liquid Web (TLB)	NR	NR	Computers	\$100.0	1.00%	L + 450	99.5	4.3x	SunTrust	Madison Dearborn	LBO	
MRI Software (RC)	NR	NR	Computers	\$15.0	TBD	TBD	TBD	6.6x	SunTrust	GI Partners	LBO	
MRI Software (TLB)	NR	NR	Computers	\$155.0	1.00%	L + 425	99.0	6.6x	SunTrust	GI Partners	LBO	
MRI Software (2nd)	NR	NR	Computers	\$70.0	1.00%	L + 800	98.5	6.6x	SunTrust	GI Partners	LBO	
Company (>\$500M)	Ratings		Industry	Amount		Floor	Spread	OID	Leverage	Arranger	Sponsor	Purpose
Moody's	S&P	(\$MM)										
Spectrum Brands (RC)	NR	BB	Computers	\$500.0	TBD	TBD	TBD	NA	DB	Harbinger Capital	Refinancing	
Spectrum Brands (TLB)	Ba2	BB	Computers	\$1,450.0	0.75%	L + 275	99.5	NA	DB	Harbinger Capital	Refinancing	
Alere (RC)	Ba3	NR	Healthcare	\$250.0	TBD	TBD	TBD	NA	GS	Not Sponsored	Refinancing	
Alere (TLA)	Ba3	NR	Healthcare	\$600.0	0.00%	L + 300	99.5	NA	GS	Not Sponsored	Refinancing	
Alere (TLB)	Ba3	NR	Healthcare	\$1,100.0	1.00%	L + 325	99.5	NA	GS	Not Sponsored	Refinancing	
Methanol Holdings (RC)	Ba3	NR	Metals & Mining	\$300.0	TBD	TBD	TBD	NA	JPM	Not Sponsored	Refinancing	
Methanol Holdings (TLB)	Ba3	NR	Metals & Mining	\$300.0	0.75%	L + 325	99.5	NA	JPM	Not Sponsored	Refinancing	
Royal Adhesives & Sealants (RC)	Caa1	CCC	Chemicals	\$50.0	TBD	TBD	TBD	NA	CS	American Securities	LBO	
Royal Adhesives & Sealants (TLB)	B1	B-	Chemicals	\$535.0	1.00%	L + 375	99.5	NA	CS	American Securities	LBO	
Royal Adhesives & Sealants (2nd)	B1	B-	Chemicals	\$170.0	1.00%	L + 775	99.0	NA	CS	American Securities	LBO	
Academy (RC)	NR	NR	Retail	\$650.0	TBD	TBD	TBD	NA	JPM	KKR	Refinancing	
Academy (TLB)	B2	B	Retail	\$1,825.0	1.00%	L + 350	99.5	NA	MS	KKR	Refinancing	
Alexion Pharmaceuticals (RC)	NR	NR	Healthcare	\$500.0	TBD	TBD	TBD	NA	BOA	Not Sponsored	Acquisition	
Alexion Pharmaceuticals (TLA)	NR	NR	Healthcare	\$3,000.0	TBD	L + 175	TBD	NA	BOA	Not Sponsored	Acquisition	

⁽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							
Bank of Nova Scotia	Aa2	A+	Financial	\$850	6/11/18	+ 70	1.7%	1.7%	Senior Notes
Bank of Nova Scotia	Aa2	A+	Financial	\$500	6/11/18	FRN	L + 47	FRN	Senior Notes
W W Grainger	A2	AA	Manufacturing	\$1,000	6/15/45	+ 155	4.6%	4.6%	Senior Notes
Estee Lauder	A2	A+	Consumer	\$300	6/15/45	+ 155	4.4%	4.5%	Senior Notes
Credit Agricole	A2	A	Financial	\$1,250	6/10/20	+ 110	2.8%	2.8%	Senior Notes
Credit Agricole	A2	A	Financial	\$500	6/10/20	FRN	L + 97	FRN	Senior Notes
Precision Castparts	A2	A-	Metals & Mining	\$850	6/15/25	+ 110	3.3%	3.3%	Senior Notes
Precision Castparts	A2	A-	Metals & Mining	\$550	6/15/20	+ 70	2.3%	2.3%	Senior Notes
Precision Castparts	A2	A-	Metals & Mining	\$325	6/15/45	+ 145	4.4%	4.4%	Senior Notes
Precision Castparts	A2	A-	Metals & Mining	\$275	6/15/35	+ 130	4.2%	4.2%	Senior Notes
Morgan Stanley	A3	A-	Financial	\$500	12/7/18	+ 118	2.2%	2.2%	Senior Notes
Starbucks	A3	A-	Restaurants	\$500	6/15/22	+ 78	2.7%	2.7%	Senior Notes
Starbucks	A3	A-	Restaurants	\$350	6/15/45	+ 138	4.3%	4.3%	Senior Notes
Wisconsin Energy	A3	BBB+	Utilities	\$500	6/15/25	+ 125	3.6%	3.6%	Senior Notes
Wisconsin Energy	A3	BBB+	Utilities	\$400	6/15/20	+ 85	2.5%	2.5%	Senior Notes
Wisconsin Energy	A3	BBB+	Utilities	\$300	6/15/18	+ 65	1.7%	1.7%	Senior Notes
TTX	Baa1	A+	Transportation	\$300	6/15/20	+ 105	2.6%	2.6%	Senior Notes
Marathon Oil	Baa1	BBB	Oil & Gas	\$900	6/1/25	+ 170	3.9%	3.9%	Senior Notes
Marathon Oil	Baa1	BBB	Oil & Gas	\$600	6/1/20	+ 120	2.7%	2.7%	Senior Notes
Marathon Oil	Baa1	BBB	Oil & Gas	\$500	6/1/45	+ 225	5.2%	5.2%	Senior Notes
Citigroup	Baa1	NR	Financial	\$500	12/20/19	FRN	L + 77	FRN	Senior Notes
Autodesk	Baa2	BBB	Computers	\$450	6/15/20	+ 155	3.1%	3.2%	Senior Notes
Autodesk	Baa2	BBB	Computers	\$300	6/15/25	+ 215	4.4%	4.4%	Senior Notes
Citigroup	Baa3	BBB+	Financial	\$2,500	6/10/25	+ 208	4.4%	4.5%	Sub Notes
Barclays	Baa3	BBB	Financial	\$1,000	6/8/20	+ 142	2.9%	3.0%	Senior Notes
Discover Bank	Baa3	BBB	Financial	\$1,250	6/4/20	+ 155	3.1%	3.1%	Bank Guaranteed
Bharti Airtel	Baa3	BBB-	Telecom	\$1,000	6/10/25	+ 210	4.4%	4.5%	Senior Notes
Macquarie Bank	Baa3	BBB-	Financial	\$750	6/10/25	+ 265	4.9%	4.9%	Sub Notes
Flextronics	Ba1	BBB-	Computers	\$600	6/15/25	+ 250	4.8%	4.9%	Senior Notes
Petroleo Brasileiro SA Petrobras	Ba2	BBB-	Oil & Gas	\$2,500	6/5/15	+ 549	6.9%	8.5%	Senior Notes

Total Debt Volume

Bond Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$22,100	30	\$593,055	735	\$478,105	648	+24.0%	+13.4%
High-Yield ⁽¹⁾	\$9,240	15	\$155,520	245	\$149,735	270	+3.9%	(9.3%)
Total Bonds	\$31,340	45	\$748,575	980	\$627,840	918	+19.2%	+6.8%

Leveraged Loan Issues	Previous Week		2015 YTD		2014 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Total Leveraged Loans⁽¹⁾	\$13,127	13	\$153,965	280	\$240,120	432	(35.9%)	(35.2%)

Benchmark Yields

Benchmark	Current	Previous Week	△ (bps)	Previous Year	△ (bps)
2 yr UST	0.66%	0.61%	5.0	0.40%	26.0
5 yr UST	1.65%	1.49%	16.0	1.63%	2.0
10 yr UST	2.31%	2.12%	19.0	2.59%	(28.0)
30 yr UST	3.03%	2.88%	15.0	3.44%	(41.0)
3M LIBOR	0.28%	0.28%	(0.5)	0.23%	4.8

⁽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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