TM capital

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Leveraged Lending Market Report
April 2014 in Review

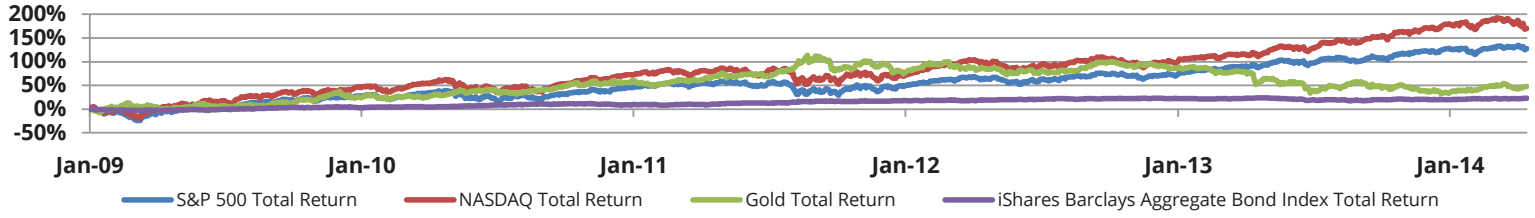
Key Market Indicators

	Apr 2013	2014 Jan	Feb	Mar	Apr
Indices					
10-Year Treasury	1.70%	2.67%	2.66%	2.73%	2.67%
DJIA	14,840	15,699	16,322	16,458	16,581
S&P 500	1,598	1,783	1,859	1,872	1,884
NASDAQ	3,329	4,104	4,308	4,199	4,115
iShares Barclays Aggregate Bond Index	111.3	107.9	108.2	107.8	108.5
Total Return*					
10-Year Treasury	1.81%	3.77%	0.47%	0.07%	0.95%
DJIA	1.98%	(5.19%)	4.34%	0.93%	0.40%
S&P 500	2.38%	(3.46%)	4.57%	0.84%	0.03%
NASDAQ	2.81%	(1.69%)	5.15%	(2.45%)	(3.56%)
iShares Barclays Aggregate Bond Index	0.88%	1.54%	0.38%	(0.15%)	0.98%
Commodities					
Crude Oil	$93.46	$97.49	$102.59	$101.58	$99.74
Natural Gas	$4.82	$4.94	$4.61	$4.37	$4.82
Gold	$1,296	$1,240	$1,322	$1,284	$1,296
Currencies					
EUR in USD	$1.32	$1.35	$1.38	$1.38	$1.39
USD in JPY	$97.50	$102.25	$102.09	$102.95	$102.11
USD in CNY	$6.17	$6.06	$6.15	$6.22	$6.26
GBP in USD	$1.56	$1.65	$1.68	$1.67	$1.69

*Includes dividend / interest payments, when applicable

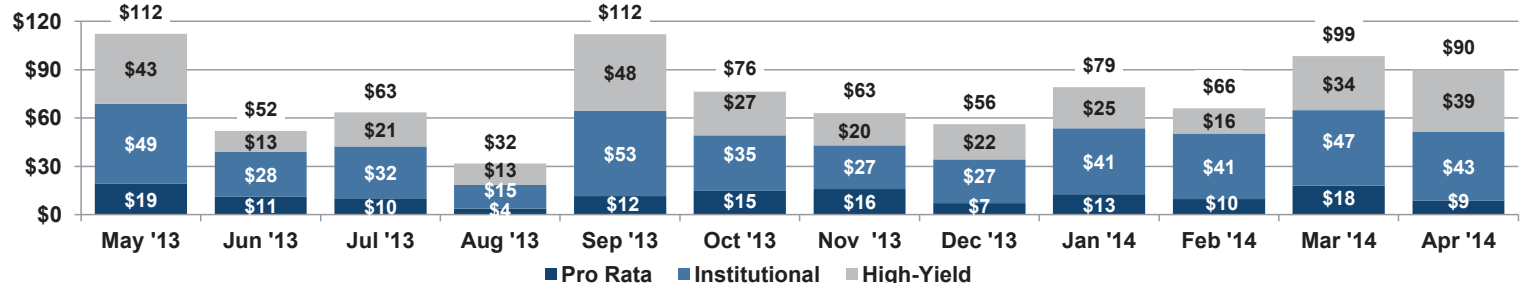
	Apr 2013	2014 Jan	Feb	Mar	Apr
Average New-Issue Pricing - B+/B					
Total Spread	466.5	434.1	470.1	442.9	483.6
YTM	5.02%	4.61%	4.98%	4.69%	5.08%
New-Issue Deal Flow					
Monthly Volume ($ in billions)	52.8	53.7	50.4	64.8	54.5
Monthly Number of Loans	111	143	125	159	140
YTD Volume ($ in billions)	241.9	53.7	104.1	169.0	220.4
YTD Number of Loans	488	143	468	427	567
Lagging 12-Month Default Rates					
By Number	1.67%	1.17%	1.16%	1.02%	0.87%
By Principal Amount	1.91%	1.88%	1.86%	1.21%	1.14%
Average Credit Statistics on Highly Leveraged Loans					
Lev Thru First-Lien Debt	3.6x	3.9x	3.8x	3.9x	3.8x
Lev Thru Senior Debt	4.1x	5.0x	4.8x	5.0x	5.0x
Total Debt / EBITDA	4.3x	5.0x	4.9x	5.0x	5.0x
Institutional First-Lien Statistics					
% of Tranches with Floors	89.9%	99.0%	98.2%	98.0%	97.7%
Libor Floor Level (bps)	109	93	99	97	99
% Flex Down	31%	38%	21%	18%	9%
% Flex Up	5%	2%	8%	9%	17%

Stock Market Performance

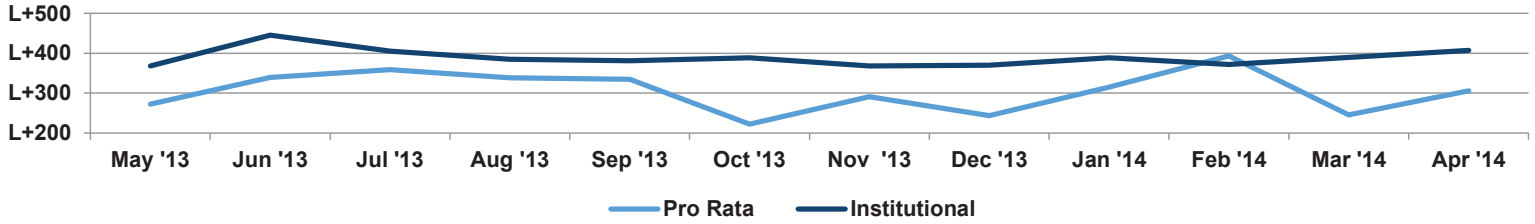


*Includes dividend / interest payments, when applicable

U.S. Leveraged Finance Volume – Loans and Bonds ($ in billions)

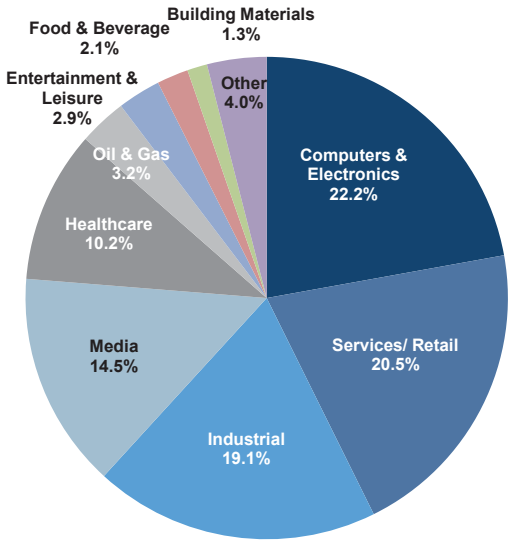


New-Issue First-Lien Spreads



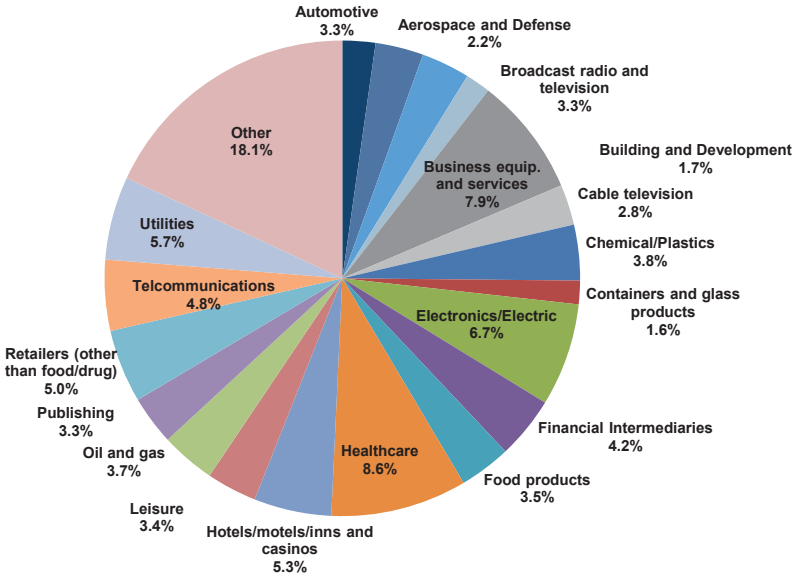
Sources: S&P LCD, Barclays Capital, TM Capital

New-Issue Loan Volume by Industry – 30 Days Ended 5/1/2014



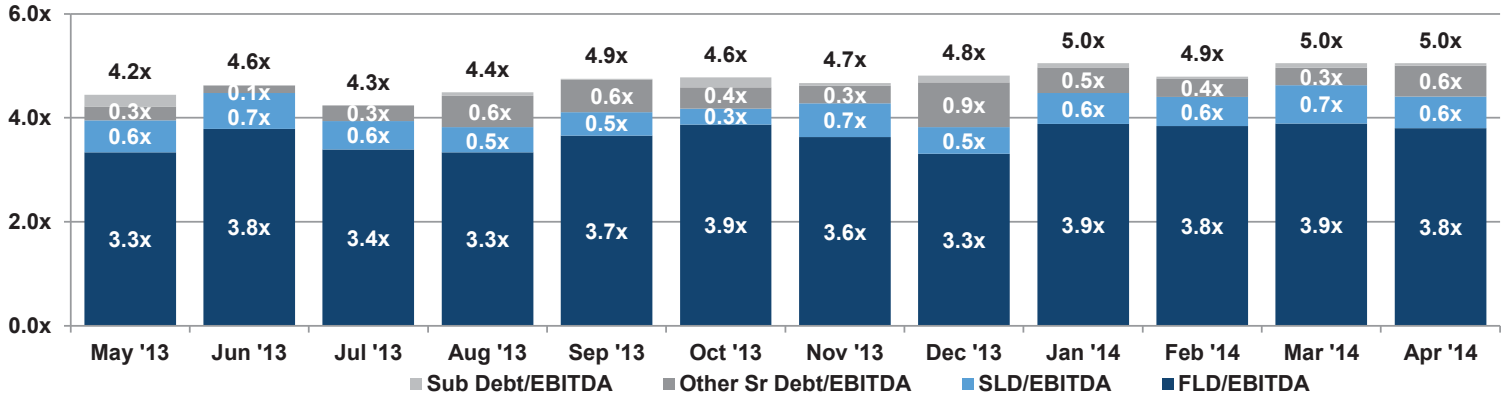
Total New-Issue Volume: $55.3 billion (30 Days Ended 5/1/2014)

Par Amount of Outstanding Loans by Industry – 4/25/14



Total Par Amount of Outstanding Loans: $724.7 billion (4/25/2014)

Average Debt Multiples of Highly Leveraged Loans



Sources: S&P LCD, TM Capital

Recent TM Capital Financing Experience

Climax
a portfolio company of
DeltaPoint Capital Management, LLC
has completed a recapitalization led by
Enhanced Capital

micrometrics
has completed a management-led leveraged recapitalization with Senior Secured Credit Facilities provided by
SunTrust
and Senior Subordinated Notes by
Westbury Partners

$75,000,000
Senior Secured Revolving Credit Facility
Fleet Laboratories
provided by
Wells Fargo

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About TM Capital

TM Capital Corp. is a partner-owned investment banking firm based in New York, Boston and Atlanta, which has completed over 250 transactions with a combined value in excess of $14 billion. Since 1989, we have advised clients navigating a full range of critical transactions, including complex mergers, acquisitions, debt and equity financings, minority and majority recapitalizations, restructurings, and advisory services including takeover defense, fairness and solvency opinions, valuations, as well as litigation support. We have built deep industry expertise in key sectors and our team regularly publishes research highlighting current and emerging trends in targeted industries and markets. TM Capital is a member firm of M&A International Inc., the world's leading alliance of mid-market investment banks with over 600 M&A professionals in 39 countries. Members have closed over 1,300 transactions totaling more than $75 billion in value over the past five years. For more information, visit www.tmcapital.com.

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