

# LEVERAGED FINANCE MONTHLY

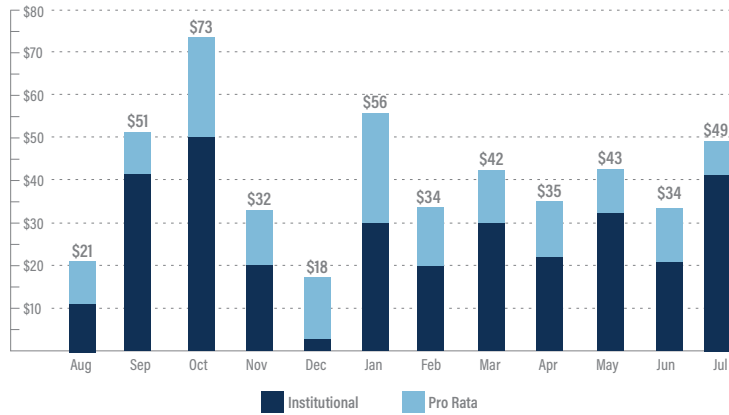
AUGUST 2019

*This report reviews the latest trends in the loan environment, covering the relationship between loan volume, leverage multiples and relevant macroeconomic indicators and benchmarks impacting the credit markets. It also includes a statistical update, providing a snapshot of activity across the leveraged finance space.*

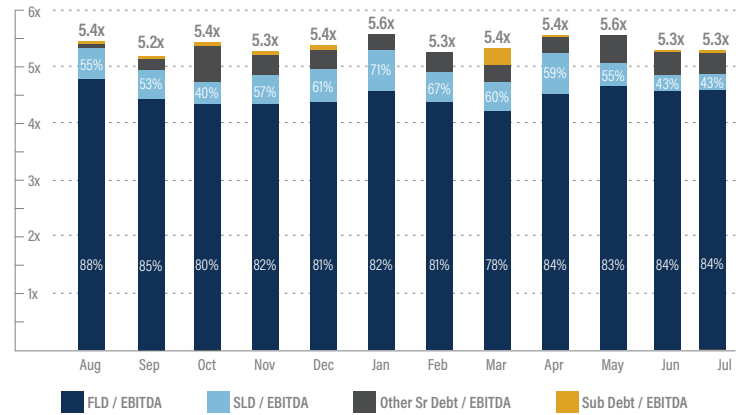
|   | JULY '19 | JUN '19 | MAY '19 | APR '19 | JULY '18 |
|---|----------|---------|---------|---------|----------|
| <b>Indices</b>  |          |         |         |         |          |
| 10-Year Treasury  | 2.02%    | 2.00%   | 2.14%   | 2.51%   | 2.96%    |
| DJIA  | 27,198   | 26,600  | 24,815  | 26,593  | 25,414   |
| S&P 500   | 3,013    | 2,942   | 2,752   | 2,946   | 2,846    |
| NASDAQ  | 8,274    | 8,006   | 7,453   | 8,095   | 7,932    |
| iShares HY Corporate Bond Fund                                  | 87       | 87      | 85.5    | 86.8    | 85.7     |
| iShares Barclays Aggregate                                      | 111      | 111     | 110.3   | 108.6   | 105.9    |
| <b>Total Return</b>   |          |         |         |         |          |
| 10-Year Treasury  | 1.00%    | -11.11% | -14.74% | 4.15%   | 3.86%    |
| DJIA  | 0.99%    | 5.86%   | -6.69%  | 2.56%   | 4.71%    |
| S&P 500   | 1.31%    | 5.70%   | -6.58%  | 3.93%   | 3.60%    |
| NASDAQ  | 2.11%    | 6.08%   | -7.93%  | 4.74%   | 2.15%    |
| iShares HY Corporate Bond Fund                                  | 0.01%    | 1.86%   | -1.90%  | 0.76%   | 0.75%    |
| iShares Barclays Aggregate                                      | 0.11%    | 1.64%   | 1.55%   | -0.24%  | -0.13%   |
| <b>Commodities</b>  |          |         |         |         |          |
| Crude Oil   | \$58.58  | \$58.47 | \$53.50 | \$63.91 | \$67.04  |
| Natural Gas   | \$2.23   | \$2.31  | \$2.45  | \$2.58  | \$2.95   |
| Gold  | \$1,432  | \$1,414 | \$1,311 | \$1,286 | \$1,305  |
| <b>Currencies</b>   |          |         |         |         |          |
| GBP in USD  | \$1.22   | \$1.27  | \$1.26  | \$1.30  | \$1.33   |
| EUR in USD  | \$1.11   | \$1.14  | \$1.11  | \$1.12  | \$1.17   |
| USD in JYP  | 108.60   | 107.79  | 108.69  | 111.37  | 108.76   |
| USD in CNY  | 6.88     | 6.87    | 6.90    | 6.74    | 6.41     |
| <b>Average New-Issue Loan Pricing - B+/B</b>                    |          |         |         |         |          |
| Total Spread  | 421.0    | 424.0   | 422.0   | 430.0   | 350.0    |
| YTM   | 6.59%    | 6.79%   | 6.84%   | 6.85%   | 5.95%    |
| <b>New-Issue Clearing Yields - Middle Market (last 90 days)</b> |          |         |         |         |          |
| Deal Count  | 158      | 148     | 150     | 134     | 349      |
| Clearing Yield  | 6.75%    | 6.85%   | 6.93%   | 7.10%   | 6.55%    |

# LEVERAGED FINANCE GROWTH & VALUATION TRENDS

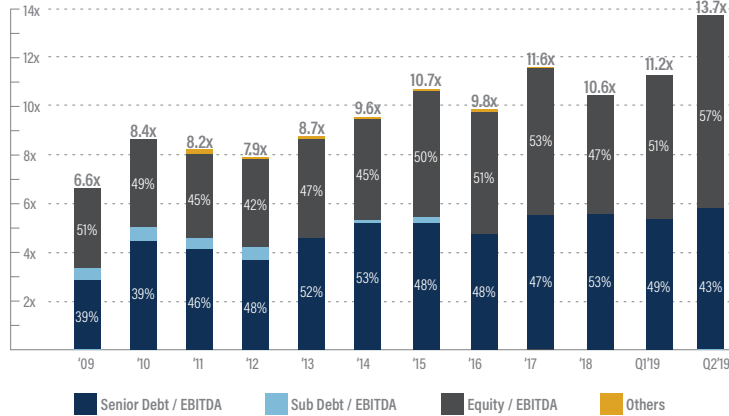
### New-Issued Loan Volume by Month (\$ in billions)



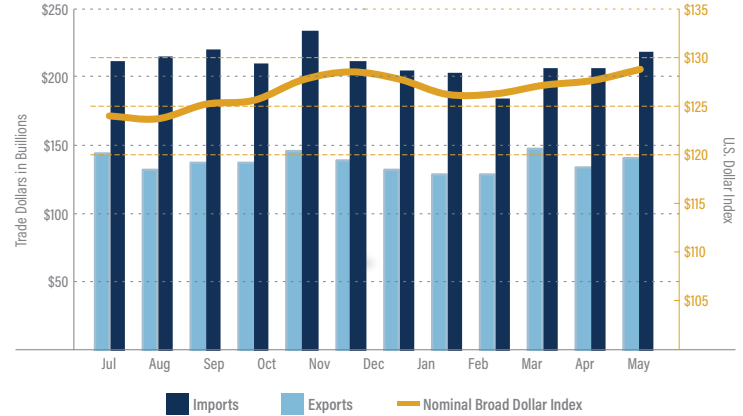
### Average Debt Multiples of Highly Leveraged Loans (% of Total)



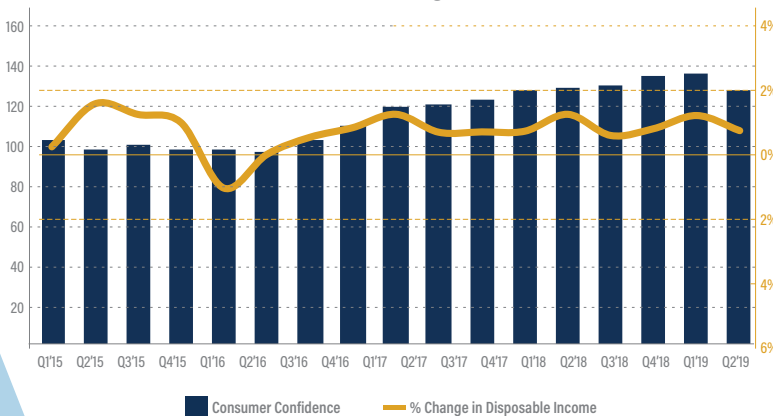
### LBO Purchase Price Multiples - All (% of Total Purchase Price)



### U.S. Trade Deficit & Dollar Index



### Consumer Confidence Index and % Change in DPI

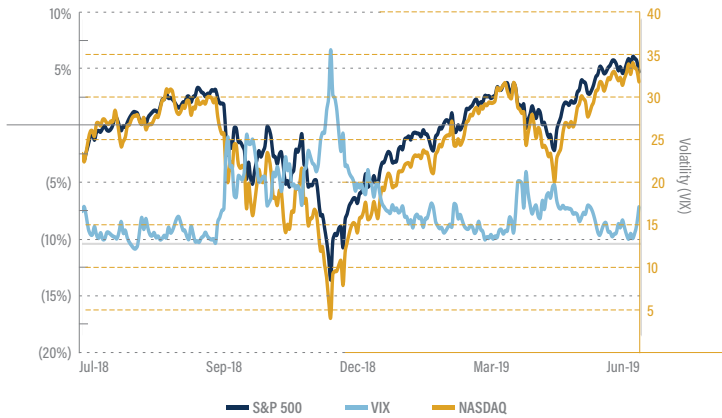


### Default Rates of Leveraged Loans

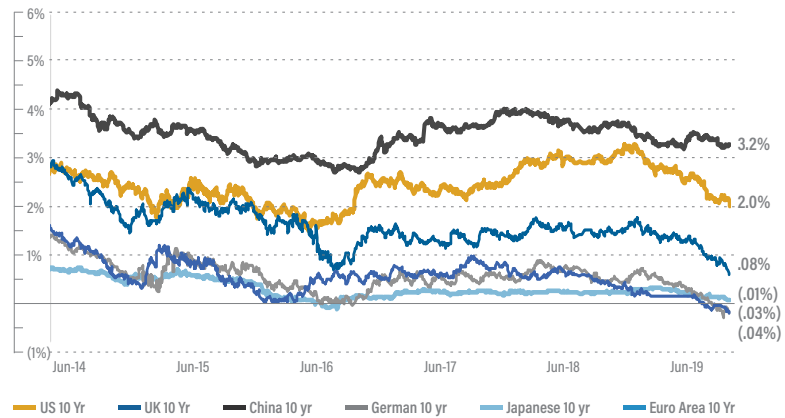


# LEVERAGED FINANCE GROWTH & VALUATION TRENDS (CONTINUED...)

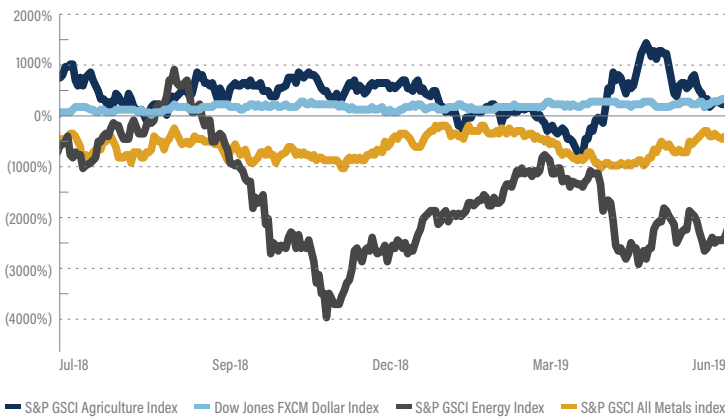
## Stock Market Indices



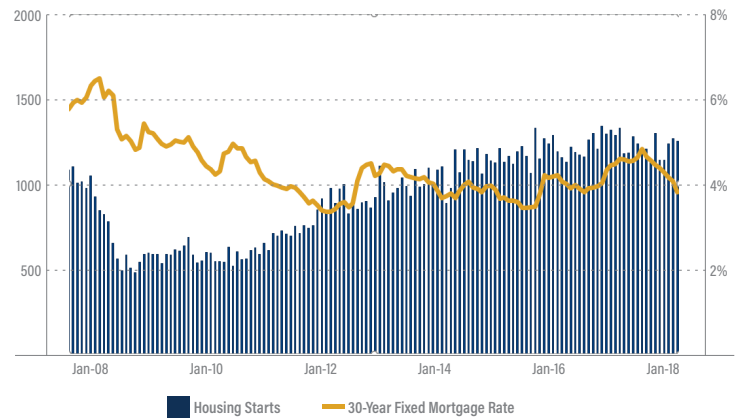
## Sovereign Debt Yields



## Commodities Prices



## Housing Starts & Mortgage Rates




## TM Capital's Financing Experience

**WEST SHORE HOME**  
FINANCED THE ACQUISITION OF  
**AMERICA'S WINDOW**  
WITH SENIOR DEBT PROVIDED BY  
**GARMARK PARTNERS**


SENIOR CREDIT FACILITY  
**WILLIAMS**  
PROVIDED BY  
**MIDCAP FINANCIAL**

**nectar**  
HAS COMPLETED A GROWTH EQUITY FINANCING AND ENTERED INTO A STRATEGIC PARTNERSHIP


## TM Capital's Leveraged Finance Contacts



**Robert Grien,**  
Managing Director  
rgrien@tmcapital.com  
212.809.1434



**Jerome Romano,**  
Managing Director  
jromano@tmcapital.com  
617.259.2206



**Vidur Kapur,**  
Vice President  
vkapur@tmcapital.com  
212.809.1422

Sources: S&P LCD, Capital IQ, U.S. Census Bureau, St. Louis Fed, U.S. Bureau of Economic Analysis, Freddie Mac