

LEVERAGED FINANCE MONTHLY

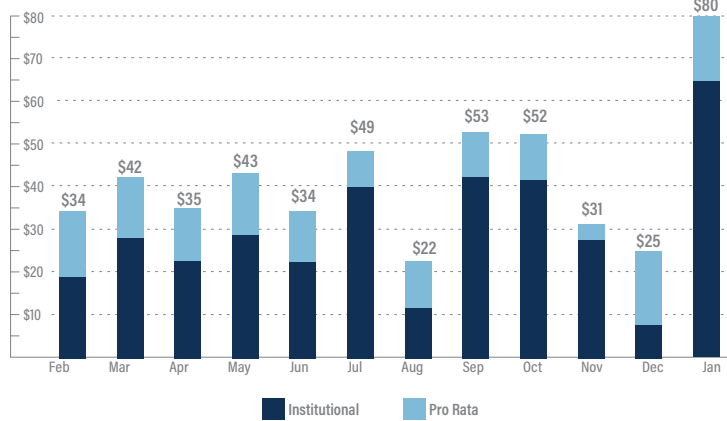
FEBRUARY 2020

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.

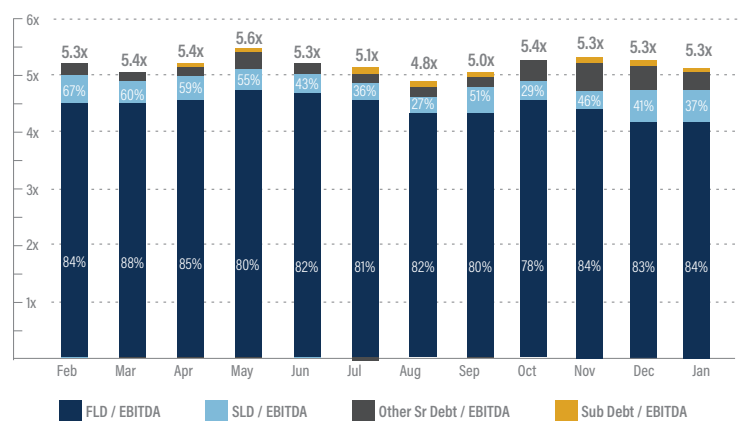
| | JANUARY '20 | DECEMBER '19 | NOVEMBER '19 | OCTOBER '19 | JANUARY '19 |
|---|-------------|--------------|--------------|-------------|-------------|
| Indices | | | | | |
| 10-Year Treasury | 1.51% | 1.92% | 1.78% | 1.69% | 2.63% |
| 10-Year vs. 2-Year Spread (basis points) | 0.18 | 0.34 | 0.21 | 0.17 | 0.18 |
| DJIA | 28,256 | 28,538 | 28,051 | 27,046 | 25,000 |
| S&P 500 | 3,226 | 3,231 | 3,141 | 3,038 | 2,704 |
| NASDAQ | 9,151 | 8,973 | 8,665 | 8,292 | 7,282 |
| iShares HY Corporate Bond Fund | 87.54 | 87.77 | 86.76 | 86.83 | 85.00 |
| iShares Barclays Aggregate | 114.62 | 112.29 | 112.90 | 113.25 | 107.00 |
| Total Return | | | | | |
| S&P 500 | -0.16% | 2.86% | 3.40% | 2.04% | -9.18% |
| NASDAQ | 1.99% | 3.54% | 4.50% | 3.66% | -9.48% |
| iShares HY Corporate Bond Fund | -0.27% | 1.16% | -0.08% | -0.08% | -3.19% |
| iShares Barclays Aggregate | 2.07% | -0.54% | -0.32% | 0.07% | 1.32% |
| Commodities | | | | | |
| Crude Oil | \$51.56 | \$61.06 | \$55.17 | \$54.18 | \$53.79 |
| Natural Gas | \$1.84 | \$2.19 | \$2.28 | \$2.63 | \$2.81 |
| Gold | \$1,588 | \$1,523 | \$1,473 | \$1,515 | \$1,344 |
| Currencies | | | | | |
| GBP in USD | \$1.32 | \$1.32 | \$1.29 | \$1.29 | \$1.31 |
| EUR in USD | \$1.11 | \$1.12 | \$1.10 | \$1.11 | \$1.15 |
| USD in JPY | \$108.37 | \$108.68 | \$109.51 | \$108.08 | \$108.85 |
| USD in CNY | \$6.94 | \$6.96 | \$7.03 | \$7.04 | \$6.70 |
| Average New-Issue Loan Pricing - B+/B | | | | | |
| Total Spread | 342.0 | 378.0 | 460.0 | 487.0 | 579.0 |
| YTM | 5.34% | 5.76% | 6.55% | 6.94% | 8.44% |
| New-Issue Clearing Yields - Middle Market (last 90 days) | | | | | |
| Deal Count | 210 | 135 | 184 | 150 | 192 |
| Clearing Yield | 5.27% | 5.85% | 6.39% | 6.71% | 7.24% |

LEVERAGED FINANCE GROWTH & ECONOMIC TRENDS

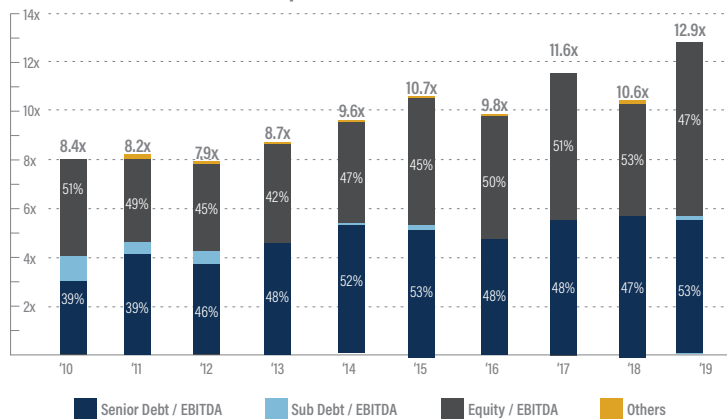
New-Issued Loan Volume by Month (\$ in billions)



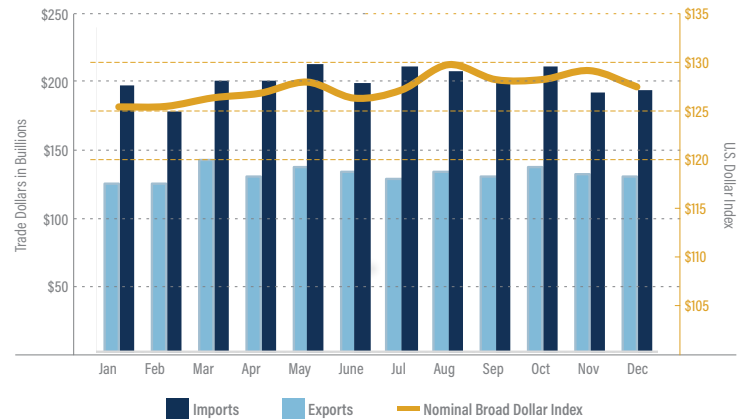
Average Debt Multiples of Highly Leveraged Loans (% of Total)



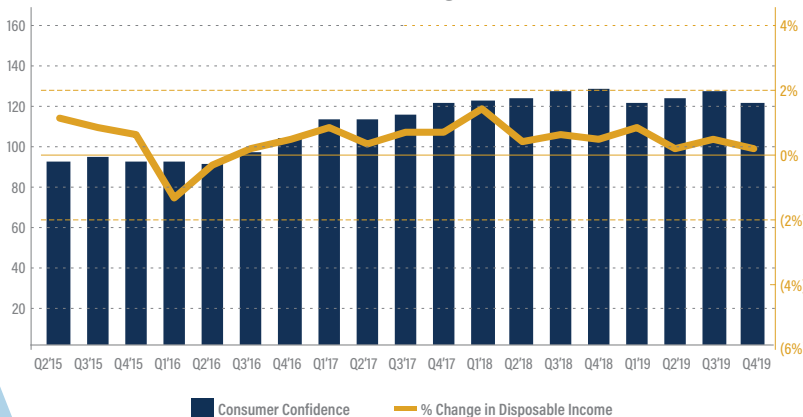
LBO Purchase Price Multiples - All (% of Total Purchase Price)



U.S. Trade Deficit & Dollar Index



Consumer Confidence Index and % Change in DPI

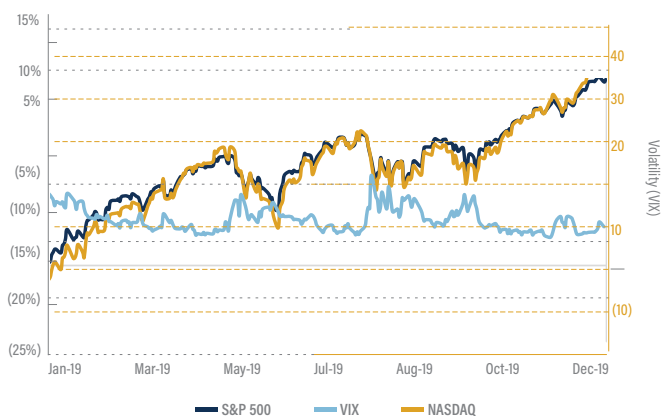


Default Rates of Leveraged Loans

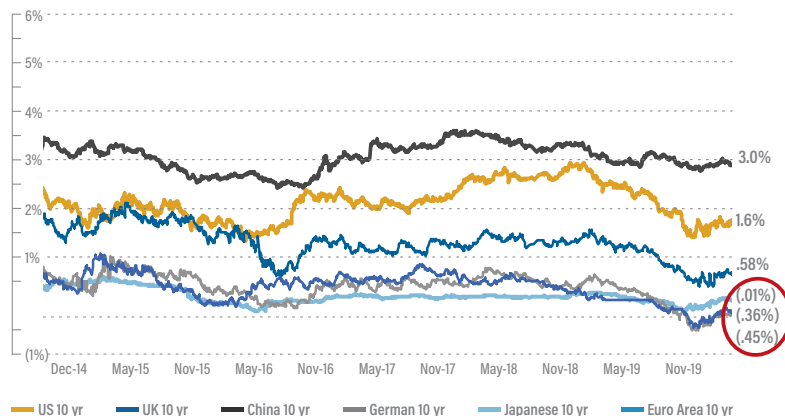


LEVERAGED FINANCE GROWTH & ECONOMIC TRENDS (CONTINUED...)

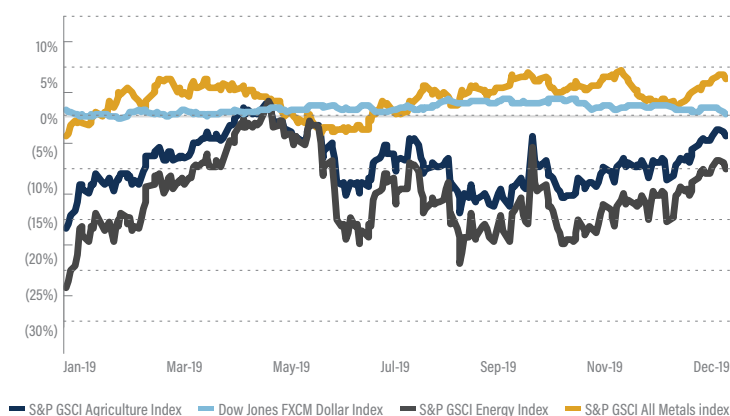
Stock Market Indices



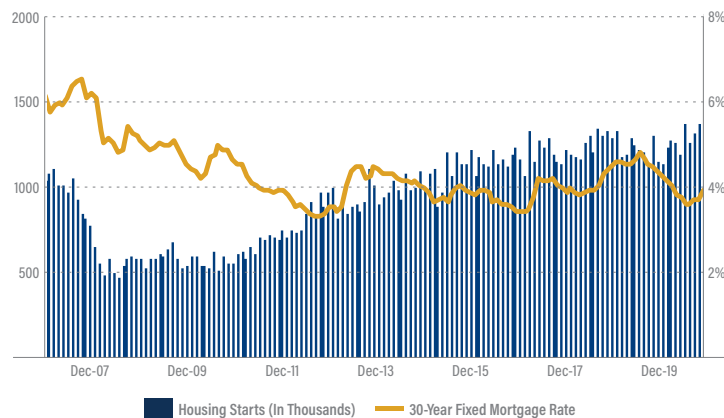
Sovereign Debt Yields



Commodities Prices



Housing Starts & Mortgage Rates



TM Capital's Financing Experience

VALLEY PROTEINS, INC.

HAS COMPLETED AN AMENDMENT TO ITS \$250 MILLION SENIOR REVOLVING CREDIT FACILITY

WEST SHORE HOME

FINANCED THE ACQUISITION OF

AMERICA'S WINDOW

WITH SENIOR DEBT PROVIDED BY

GARMARK PARTNERS

SENIOR CREDIT FACILITY

WILLIAMS

PROVIDED BY

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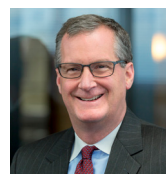
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Sources: S&P LCD, Capital IQ, U.S. Census Bureau, St. Louis Fed, U.S. Bureau of Economic Analysis, Freddie Mac