

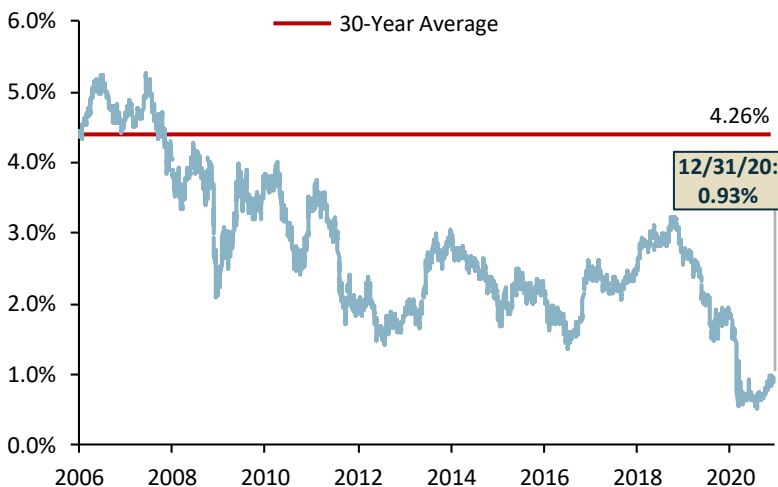
Senior Traditional Private Placement Market Update

Credit markets are favorable as COVID-19 vaccines begin widespread distribution

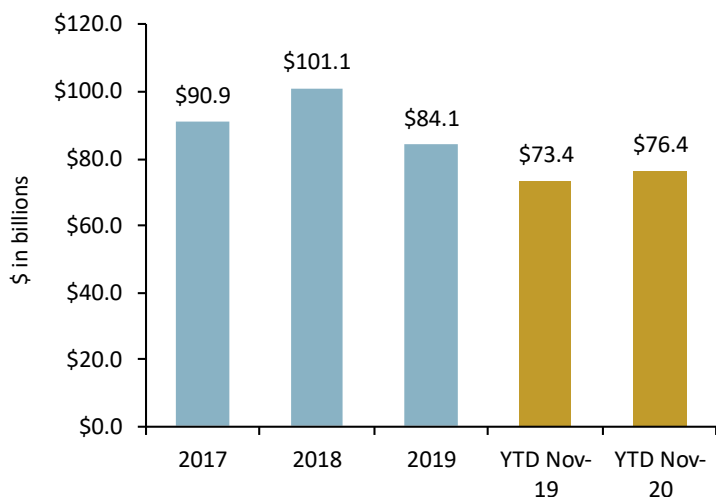
Commentary

- Credit markets improved in Q4 2020 with volumes surpassing that of last year, a remarkable achievement given the standstill in March and April
- Capital markets across the spectrum have continued to strengthen post-election, evading high-volatility normally seen in election quarters
- Despite increased market optimism due to COVID-19 vaccine progress and distribution, credit spreads widened in November
- Rates remain at all-time lows, presenting a favorable opportunity to lock-in long-run permanent capital, especially for investment grade issuers

10-Year Treasury Rates



Volume Trends



Credit Spreads

A/L	NAIC-1		NAIC-2		NAIC-3	
	Nov-2020	Nov-2019	Nov-2020	Nov-2019	Nov-2020	Nov-2019
3	130-200	115-125	175-250	150-200	400-500	300-375
5	130-200	100-125	150-250	150-200	375-500	300-375
7	120-190	100-125	175-275	130-200	425-525	325-400
10	110-175	125-160	140-250	140-225	425-550	325-400
12-14	125-180	125-160	150-275	150-225	450-575	350-425
15	150-200	115-150	175-275	160-240	475-575	350-425

About Chartwell

- Chartwell is a national leader in financial advisory, corporate finance, transaction opinions, and valuation, serving the unique needs of middle market companies
- Chartwell's Corporate Finance team excels at analyzing companies' optimal capital structure and recommending strategies to maximize shareholder value by determining the appropriate mix of debt and equity
- Hiring an independent financial advisor lends credibility to a capital raise process and creates competition among lenders/investors, achieves the lowest possible cost, and favorable terms
- Please contact any of the Chartwell contacts below to learn more about analyzing your optimal capital structure and how we can help your company most effectively execute against your financing needs

Greg Fresh
 Managing Director,
 Head of Corporate Finance
 T: 612-230-3125
 E: greg.fresh@chartwellfa.com

Will Bloom
 Managing Director,
 Head of Capital Markets
 T: 312-638-5651
 E: will.bloom@chartwellfa.com

Michael Grad
 Managing Director,
 Corporate Finance
 T: 917-828-4012
 E: michael.grad@chartwellfa.com

Dan Kaczmarek
 Director,
 Corporate Finance
 T: 312-638-5652
 E: dan.kaczmarek@chartwellfa.com