

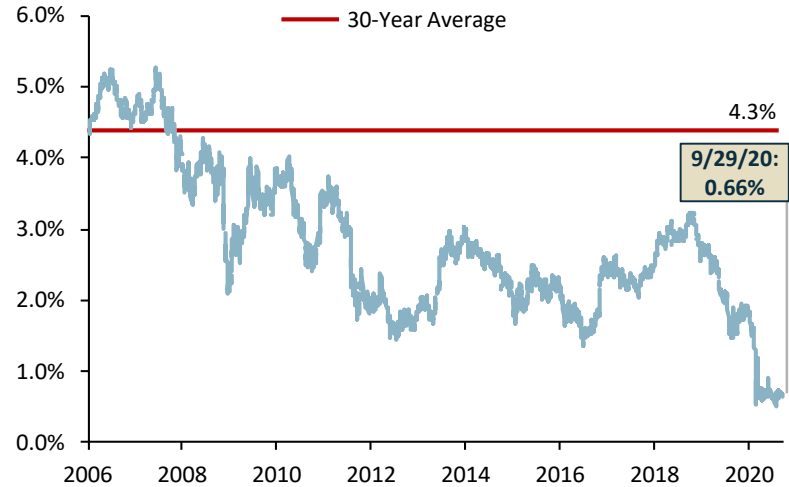
Senior Traditional Private Placement Market Update

Credit markets improve and the senior traditional private placement market is active for favorable issuers

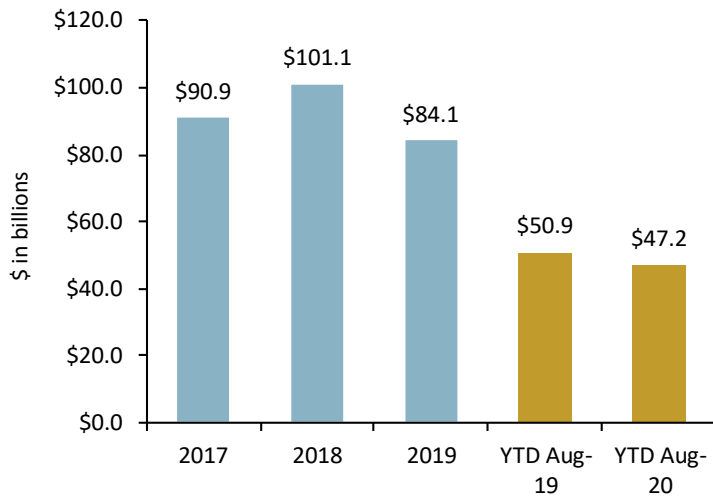
Commentary

- Credit markets continue to improve as states continue to ease COVID-19 restrictions on businesses, production and services return to a level of normalcy, and economic indicators suggest more stabilization
- Credit spreads have held steady since May, but continue to be significantly tighter than during the drastic dislocation during the months of March and April
- **Rates continue to remain at all-time lows and are not expected to increase in the near term, presenting a favorable opportunity to lock-in long run permanent capital, especially for investment grade issuers**
- The upcoming presidential election may infuse near term volatility in the capital markets, which is common leading up to the national election

10-Year Treasury Rates



Volume Trends



Credit Spreads

A/L	NAIC-1		NAIC-2		NAIC-3	
	Aug-2020	Aug-2019	Aug-2020	Aug-2019	Aug-2020	Aug-2019
3	125-175	100-125	225-250	150-200	450-475	300-375
5	125-175	100-125	225-250	150-200	450-550	300-375
7	150-175	100-125	225-275	150-200	450-525	300-400
10	125-150	100-125	225-250	150-200	450-550	300-400
12-14	125-175	100-125	235-275	150-175	450-575	300-400
15	150-225	115-150	225-275	150-175	475-600	300-400

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

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