

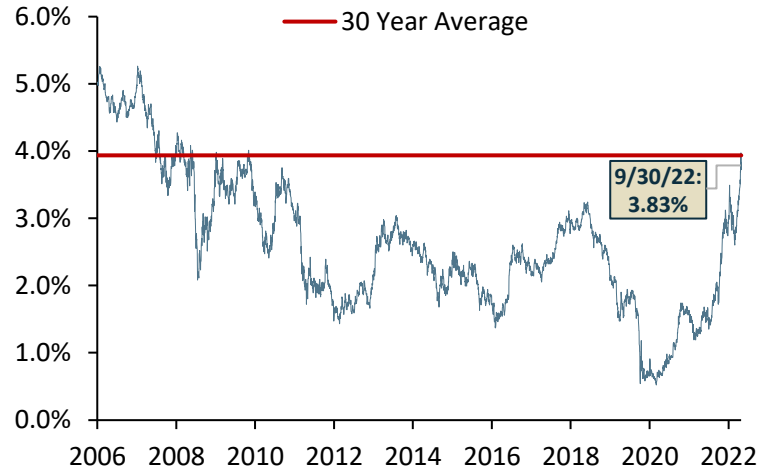
Senior Traditional Private Placement Market Update

Volatility in the credit and capital markets continue in the second half of 2022

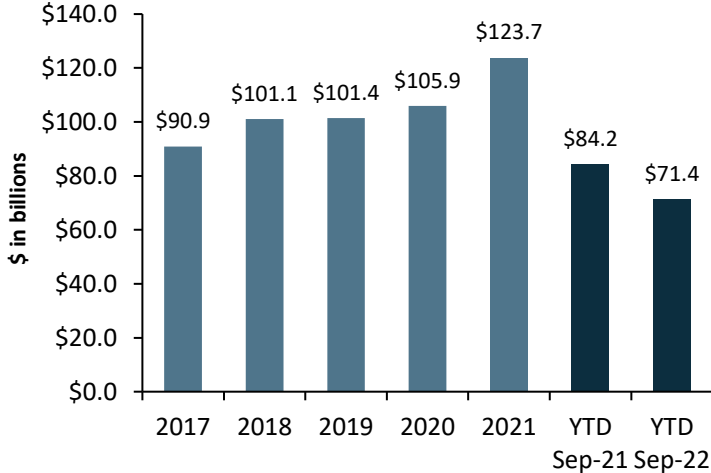
Commentary

- Persistent inflation, the continued Russian invasion of Ukraine, and rising Treasury yields show no sign of abating. As a result, lenders continue to reduce hold levels and further scrutinize new opportunities as market volatility drives uncertainty
- In Q3 22, the U.S. institutional loan volume backing M&A, specifically for LBOs, hit COVID-19 lows as investors shift focus to risk mitigation ahead of continued economic volatility
- **Lower issuance volume and higher pricing is expected going forward, limiting access to new capital in the private and public markets**

10-Year Treasury Rates



Volume Trends



Credit Spreads

A/L	NAIC-1		NAIC-2		NAIC-3	
	Aug-2022	Aug-2021	Aug-2022	Aug-2021	Aug-2022	Aug-2021
3	175-275	65-100	175-250	150-250	425-500	300-325
5	165-275	60-100	175-250	150-250	425-500	300-325
7	175-275	65-110	160-250	140-200	475-625	325-375
10	165-300	70-120	190-260	150-225	475-625	325-375
12-14	165-250	85-125	190-230	170-225	475-625	350-400
15	165-200	85-140	200-260	175-225	475-625	350-425

About Chartwell

- Chartwell is a national leader in advising middle-market companies in all aspects of finance
- Our corporate finance team excels at analyzing a company's 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, creates competition among lenders/investors, and achieves the lowest possible cost and favorable terms
- Please contact any of the professionals below to learn more about how Chartwell can help your company most effectively execute against your financing needs.

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