

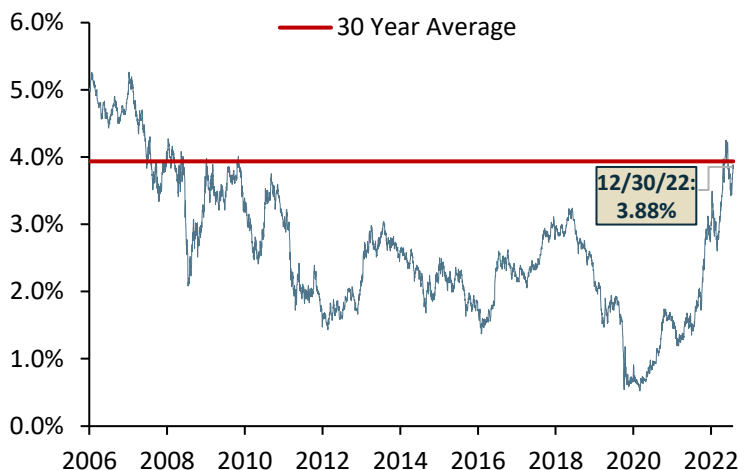
# Senior Traditional Private Placement Market Update

Though volume declined in 2022, fixed paper is still attractive for stable issuers

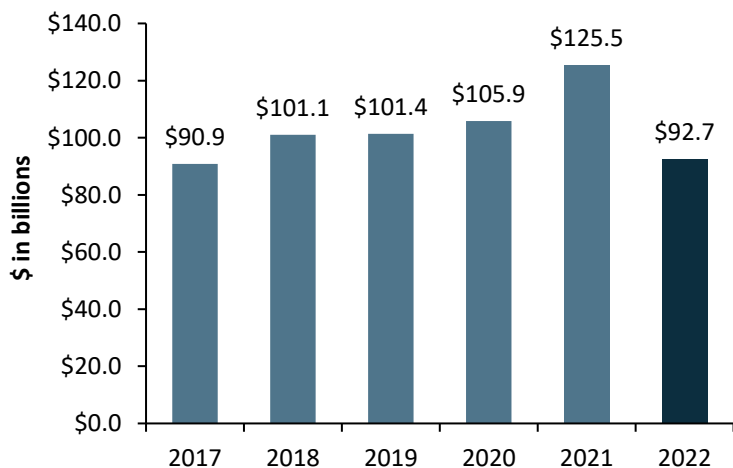
## Commentary

- Inflationary pressures and economic uncertainty created softening in the capital markets during 2022, particularly in the back half of the year
- With the Federal Reserve signaling further interest rate increases, the senior traditional private placement market offers the ability to lock in fixed rates at attractive spreads for issuers with scale and stability
- Due to the inverted forward yield curve, all-in fixed rates are attractive compared to the floating rate debt tranches available from other capital providers

## 10-Year Treasury Rates



## Volume Trends



## Credit Spreads

A/L	NAIC-1		NAIC-2		NAIC-3	
	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021
3	125-175	75-125	160-215	150-225	425-500	325-350
5	125-175	75-125	160-215	150-225	425-500	325-350
7	130-170	100-135	175-225	125-225	450-550	350-450
10	150-160	125-175	175-225	175-250	450-550	375-450
12-14	160-175	125-175	200-250	175-250	450-550	375-450
15	160-175	150-200	200-250	175-250	450-550	400-475

## 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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