Leveraged Loan Insight & Analysis – 7/6/2015

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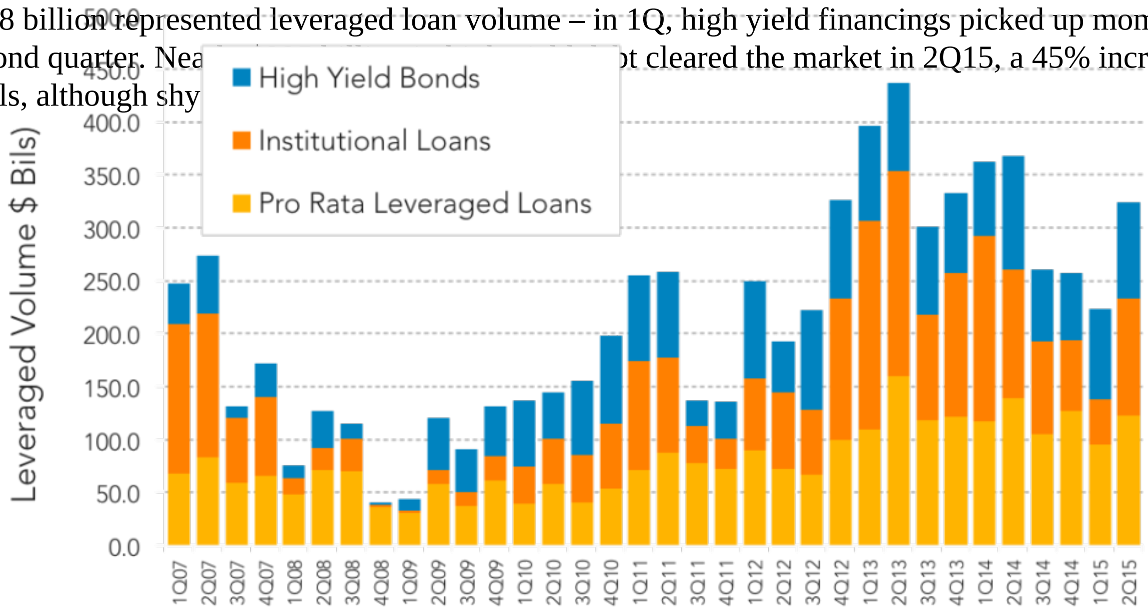
After a slow start to the year which generated less than $224 billion in high yield financings – of which a thin $138 billion represented leveraged loan volume – in 1Q, high yield financings picked up momentum in the second quarter. Nea ot cleared the market in 2Q15, a 45% increased over 1Q15 totals, although shy



Leveraged

loan volume specifically, was up 69% in 2Q at $233 billion compared to 1Q15 totals but down on a quarterly basis year over year. In the absence of LBO deals, a surge of refinancings supported the pipeline bringing 1H15 total leveraged volume to $548 billion, down 25 percent compared to 1H14 but up nearly 6% compared to 2H14. Volatility was reintroduced to the market prompting a more cautionary investor outlook, with expectations of a slowdown in 3Q15, ahead of what many hope will be a more robust 4Q15. Against this backdrop, HY bond issuance topped $91 billion in 2Q15, down slightly compared to 2Q14 totals, but up steadily over the last four quarters.

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