

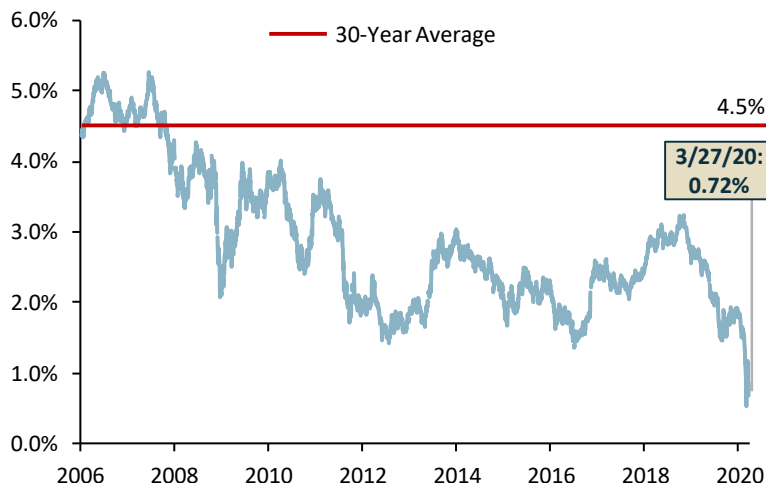
Senior Traditional Private Placement Market Update

Uncertainty and fear dealing with COVID-19? The private placement market provides a clear reprieve...

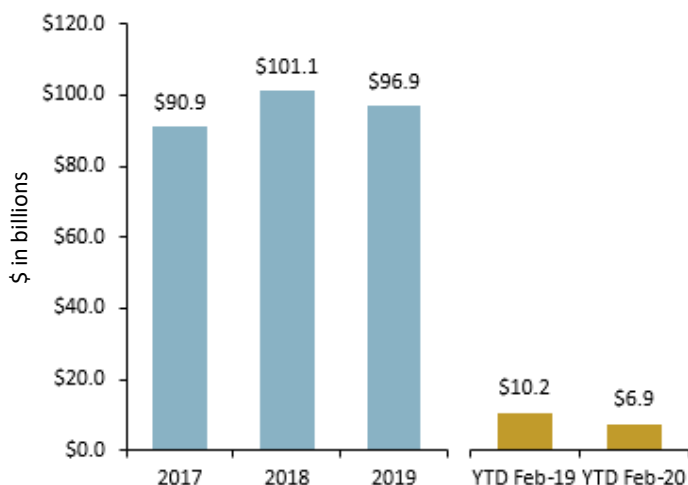
Commentary

- Capital providers are pausing their deployment of capital on new issuances at the moment, but are still analyzing opportunities real time
- While spreads are widening for those issuers entering the market today; underlying rates are at all-time lows
 - Opportunities to lock-in long-run permanent capital at historically low costs (~3.0 – 4.0%) will be available when the markets normalize in the near-term**
- Once the market dislocation settles, spreads are expected to compress back towards pre-pandemic levels
- Volumes are anticipated to increase monthly, year over year, materially on the heels of market stabilization

10-Year Treasury Rates



Volume Trends



Pre-Pandemic Spreads

A/L	NAIC-1		NAIC-2		NAIC-3	
	Feb-2020	Feb-2019	Feb-2020	Feb-2019	Feb-2020	Feb-2019
3	115-125	100-125	200-250	150-200	325-375	400-475
5	100-125	100-125	200-250	150-200	325-375	400-475
7	100-150	85-125	200-225	150-225	325-400	350-425
10	100-150	95-125	200-250	125-200	350-400	350-425
12-14	100-150	125-150	200-250	125-175	350-425	375-450
15	100-150	115-150	175-250	125-200	350-425	400-475

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