

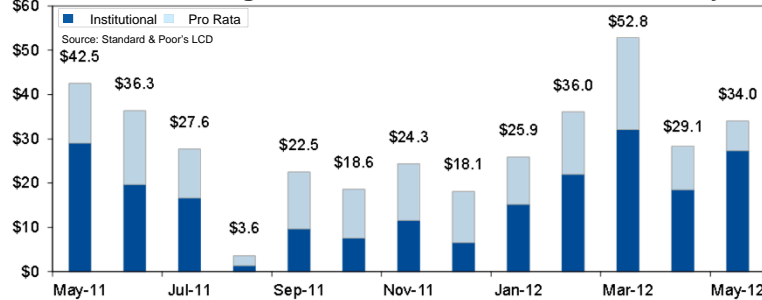
Leveraged Loans

- The average bid of LCD's flow-name composite fell 190 bps this week, to finish the week at 97.0% of par.
- Retail cash inflows totaled \$298.0MM this week, building on the \$172.2MM of inflows in the week prior, bringing YTD inflows to \$1.8B.
- **Arch Coal Inc. (B1/B+)**, a producer of steam and metallurgical coal from surface and underground mines, allocated a \$2.0B financing package consisting of an amended \$600.0MM 5-year Revolver and a new \$1.4B 6-year Covenant-Lite Term Loan B. The institutional term loan was priced at L+450 bps with a 1.25% LIBOR floor at 99.0 OID. The existing revolver was \$2.0B with plans to decrease to \$1.0B, in addition to increased pricing and covenant relief. The term loan was upsized by \$400.0MM, from \$1.0B at launch, while the revolver was further scaled back by the same amount. The term loan cleared the market at the tight end of guidance (98.5-99.0). Proceeds will be used to back a tender offer for the Company's Arch Western subsidiary 2013 notes. **BMOCM acted as Joint Lead Arranger and Joint Bookrunner on the transaction.**
- **Gibson Energy (Ba3/BB-)**, one of the largest Canadian independent midstream energy companies, allocated a \$650.0MM 6-year Term Loan B at L+375 bps with a 1.00% LIBOR floor at 99.5 OID. Proceeds will be used to refinance the Company's existing loan which was arranged in June 2011, which will be paid off at 101. **BMOCM acted as Co-Arranger on the transaction.**

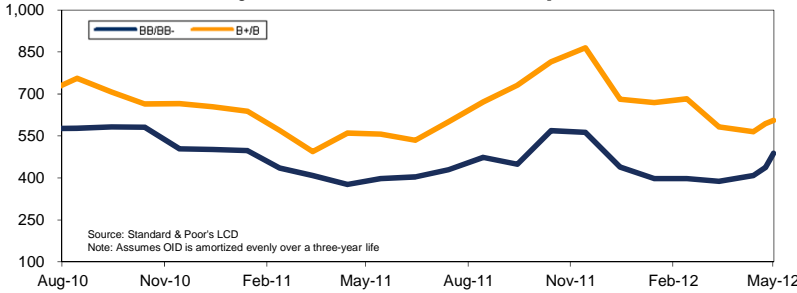
High Yield Bonds

- **12 issues priced to raise \$5.1B last week.**
- The average bid of high yield flow-name bonds in the secondary market fell 266 bps this week to end the week at 99.1% of par to yield 8.02%. This represented the largest decline since August 9, 2011.
- Retail cash outflows to U.S. high yield mutual funds and exchange-traded funds totaled \$688.5MM this week, reversing last week's inflow of \$754.1MM and \$1.2B the week prior. This is the first outflow in five weeks. YTD inflows stand at \$16.8B.
- **Momentive Performance Materials (B2/B-)**, a specialty chemicals company that produces silicones and silicone derivatives products derived from quartz and specialty ceramics, priced \$250.0MM 10.000% 8.5N3.5 Senior Secured 1.5 Lien Notes due 2020 at par (T+868). Proceeds will be used to repay existing debt. **BMOCM acted as Joint Bookrunner on the transaction.**
- **Kodiak Oil & Gas (Caa1/B-)**, an exploration and production company that engages in development and production of crude oil and natural gas, priced \$150.0MM 8.125% 7.5NC3.5 Senior Add-On Notes due 2019 at 104.0 to yield 7.234%. Proceeds will be used to repay all debt outstanding under the Company's first-lien credit agreement and to fund capital expenditures for drilling, development, and infrastructure, in the Bakken play. **BMOCM acted as Co-Manager on the transaction.**

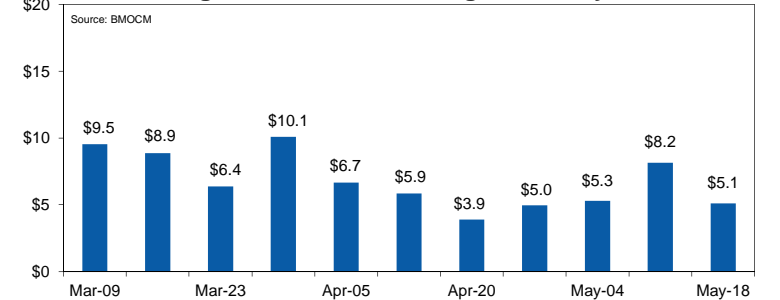
U.S. Leveraged New Issue Loan Volume - Monthly



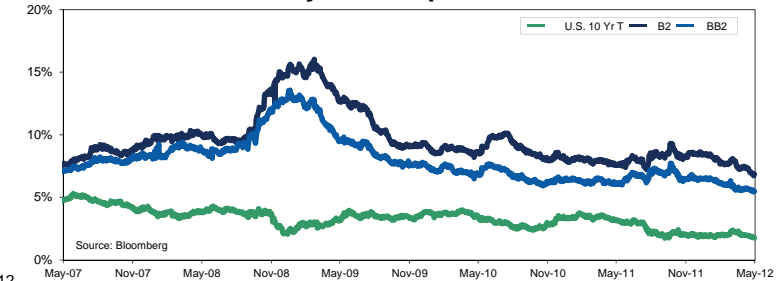
Adjusted All-in First-Lien Spreads



High Yield Debt Offerings - Weekly



10-Year Treasury and Corporate Credit Yields



Recent High Yield Completed Transactions

Date	Issuer	Industry	Use of Proceeds	Rating	\$MM	Structure	Type	Coupon	Price	Yield	BPS	Sr Lev.	Lev.	Bookrunner(s)
05/18	Molycorp Inc.	Metals & Mining	Acquisition	B2/B	\$650.0	8NC4	Sr. Secured Notes	10.000%	100.0	10.000%	+868	NA	NA	MS, CS
05/18	Allied Nevada Gold	Metals & Mining	GCP	B3/B	\$400.0	8NC4	Sr. Notes	8.750%	98.7	9.000%	C+500	NA	NA	Scotia, GMP
05/18	Kaiser Aluminum Corp	Industrials - C&M	GCP	Ba3/BB-	\$225.0	8NC4	Sr Notes	8.250%	100.0	8.250%	+693	NA	NA	JPM, WF
05/18	Mastro's Restaurants / RRG Finance	Restaurants	Repay Debt	Caa1/B-	\$102.0	5NC2.5	Sr. Secured PIK Toggle	12.000%	100.0	12.000%	NA	NA	NA	Jeff
05/17	Frontier Communications Corp.	Telecom	Refinancing	Ba2/BB	\$500.0	9NCL	Sr Notes	9.250%	100.0	9.250%	+774	NA	NA	DB, Barc, M.S, RBS
05/17	Momentive Performance Materials	Chemicals	Refinancing	B2/B	\$250.0	8.5NC3.5	Sr Sec. 1.5 Lien Notes	10.000%	100.0	10.000%	+868	NA	NA	JPM, BMO, BAML, CITI, CS, DB, GS, M.S, UBS
05/17	AerCap Aviation Solutions B.V.	Fin. Serv. - Aircraft Leasing	GCP	NR/BB+	\$300.0	5NCL	Sr Notes	6.375%	100.0	6.375%	+563	NA	NA	Citi, UBS
05/15	Northern Oil and Gas, Inc.	Energy - E&P	Refinancing & GCP	Caa1/B-	\$300.0	8NC4/MW+50	Sr Notes	8.000%	100.0	8.000%	+662	2.2x	2.2x	RBS
05/15	Salley Holdings LLC and Sally Capital	Retailer	Refinancing	Ba3/BB+	\$700.0	10NC5/MW+50	Sr Notes	5.750%	100.0	5.750%	+397	NA	NA	BAML, CS, WF, DB, GS, JPM, RBC
05/15	Inmet Mining Corp.	Mining	Refinancing & GCP	B1/B+	\$150.0	8NC4/MW+50	Sr Notes	8.750%	98.6	9.000%	+763	2.8x	2.8x	JPM, CS, BAML, CITI, MS, RBC
05/14	Kodiak Oil & Gas Corp.	Energy - E&P	Refinancing	Caa1/B-	\$150.0	7.5NC3.5	Sr Notes - Add on	8.125%	104.0	7.234%	NA	0.0x	6.7x	RBC, WF, CS
05/14	Speedy Cash Intermediate Holdings	Financial Services	GCP	B3/B	\$90.0	7NC3	Sr Sec Notes - Add on	10.750%	101.8	10.293%	NA	NA	NA	Jeff, UBS

Recent Leveraged Loan Transactions

Date	Deal Name	Industry	Purpose	Corp. Rating	\$MM	Margin (bps)	Floor (%)	OID (%)	Tenor	All-in Yield	Sr Lev.	Lev.	Arranger (s)
05/18	Gibson Energy	Energy	Refinancing	B1/B+	\$652.0	375	1.00%	99.50	6.0	4.875%	2.6x	2.6x	JPM, Citi, UBS
05/17	Bausch & Lomb (Delayed Draw)	Healthcare	Acquisition	B2/B+	\$400.0	375	1.00%	par	3.0	4.750%	n/k	n/k	Citi, JPM, CS, GS, BAML
05/16	NGPL PipeCo (TLB)	Energy	Refinancing	Ba3/B+	\$700.0	550	1.25%	98.00	5.0	7.250%	n/k	n/k	CS, Barc, RBC
05/16	Ascend Learning (1st Lien)	Software	Refinancing	B2/B	\$330.0	450	1.25%	99.50	5.0	5.875%	n/k	n/k	BAML, GE
05/16	HUB International Holdings	Insurance	Refinancing	B3/B	\$215.0	450	0.00%	99.00	5.0	4.750%	n/k	n/k	MS, BAML, RBC
05/16	Colonial Properties Trust	REIT	Refinancing	Ba2/BB+	\$150.0	250	n/k	n/k	n/k	n/k	n/k	n/k	US Bank, PNC
05/15	Emerald Performance Materials	Chemicals	Refinancing	B2/B	\$300.0	550	1.25%	99.00	6.0	7.000%	3.3x	5.0x	Jeff
05/15	Attachmate (1st Lien)	Software	Dividend Recap	B2/B	\$1,100.0	575	1.50%	98.00	5.5	7.750%	2.6x	3.6x	CS, BAML, RBC, GS, WF
05/15	Attachmate (2nd Lien)	Software	Dividend Recap	B2/B	\$400.0	950	1.50%	97.00	6.5	11.750%	2.6x	3.6x	CS, BAML, RBC, GS, WF
05/15	RGIS Holdings	Business Services	A-to-E	B2/B+	\$215.0	425	1.25%	99.00	4.5	5.750%	n/k	n/k	GS, WF, JPM, Natixis
05/14	PRV Aerospace	Manufacturing	LBO	NR/NR	\$190.0	525	1.25%	99.00	6.0	6.750%	3.7x	5.1x	CE, Key
05/14	Arch Coal	Energy	Refinancing	B1/B+	\$1,400.0	450	1.25%	99.00	6.0	6.000%	1.0x	4.4x (net)	BAML, PNC, Citi, MS, RBS, BMO, Union

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