Deloitte.

Market poised for institutional Direct Lending

Deloitte Alternative Lender Deal Tracker Q3 2017

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Financial Advisory

This issue covers data for the third quarter of 2017 and includes 95 Alternative Lender deals, representing an increase of 15% in deal flow on a last 12 months basis in comparison with the previous year.

Contents

Deloitte Alternative Lender Deal Tracker Introduction

In the seventeenth edition of the Deloitte Alternative Lender Deal Tracker, we report that in the 12 months to the end of the third quarter 2017, there was a solid 15% increase in Alternative Lending deals compared to the previous year. Lending in the quarter alone is up 34% to 95 deals compared to the same period in 2016, the largest increase ever. Our report covers 60 major Alternative Lenders with whom Deloitte is tracking primary mid-market deals across Europe.

An improved economic environment, in spite of political uncertainty, helped to bolster Direct Lending in the third quarter. As optimism has grown, mid market businesses have looked away from traditional bank loans and seen the flexible, reliable and significant advantages of using alternative sources of capital.

The Eurozone economy continues to grow strongly, with a 2.5% GDP increase in the last year, its fastest growth rate since the global financial crisis. Equity markets continue to gain, and the MSCI All-Country World Index of developed and emerging-market shares is up 18 percent for the year. A Deloitte survey of Chief Financial Officers shows that optimism is up.

It is in this complex, yet cautiously optimistic context, Direct Lending is increasingly appealing to mid market businesses. These firms often struggle with banks alone to obtain quick, flexible and reasonable access to the capital needed to finance growth. In the past the only other alternative would be an incremental equity raise which is highly dilutive. However, now owners are presented with an additional option of obtaining required capital from other non-bank sources.

Last quarter saw some notable unitranche transactions such as a €225 million debt facility to Non Standard Finance, to support a UK financial services sector acquisition as well as two large unitranche deals to support refinancings: €150 million to French retailer Daltys and €120 million to UK leisure business Siblu Holdings.

Increase in deal flow year-on-year

Deals completed

Meanwhile, European fundraising continues to grow, up at €12.5bn in the first three quarters of 2017, highest to date. In the quarter, the dominant use of Direct Lending was in leveraged buyouts. Telecoms, media and technology firms, financial businesses and manufacturers used the capital extensively for this purpose. Sponsorless debt, meanwhile, continued to be a source of deal flow, used mainly for acquisitions, growth capital and refinancing and constituting 18% of deals completed in the last 12 months.

In spite of the UK's current economic and political questions, it has remained by far the biggest Direct Lending market, growing at 35% for the 12 months compared to the previous year. It was followed by France and then by Germany.

Elsewhere, the Dutch and Spanish Direct Lending markets have grown dramatically. In Spain, the subject of our 'country focus' article on page 28, the economy is recovering, and mid market businesses are looking for growth. Direct Lenders are keen to capture the opportunities but face a challenge from banks who have increased their appetite again.

On page 25 we present a case study with Stiga, a market leading European garden product manufacturer who raised €230m of self syndicated debt with a number of CLOs which enabled the company to secure effective refinancing and to power up growth.

There is no doubt that Direct Lending will continue to expand across Europe in 2018. Despite Brexit, in the context of economic recovery accelerating, Direct Lenders are making themselves available to mid market businesses and to investors who see huge growth prospects in the market.

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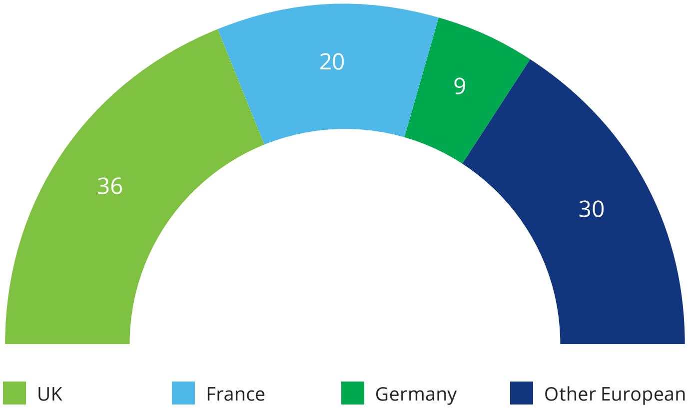
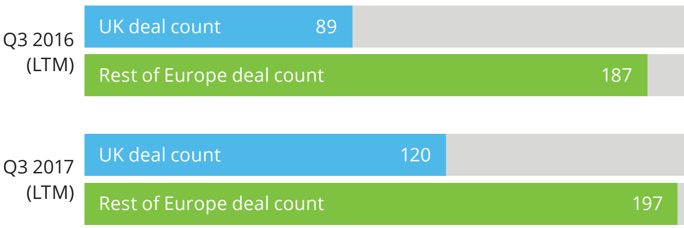
Q3 2017 deals completed



Q3 headline figures (last 12 months)



Borrowers: Seize the Direct Lending opportunity
Mid market businesses rely on access to capital, yet due to the economic crisis and stringent regulation, banks are more constrained. Bringing in fresh capital allows companies to grow, yet the market can be overwhelming with numerous loan options. Direct Lenders can offer effective rates with little or no equity dilution of your business, enabling businesses to make acquisitions, refinance bank lenders, pay dividends to shareholders, and grow activities. To read more, turn to our Direct Lending guide on page 43.

Leveraged loan mid-market trends for Direct Lenders

The picture for the third quarter of 2017 is one of recovering economic growth particularly in Europe, balanced by increased concerns over potentially overheating loan markets. The Eurozone continues to expand strongly, with a 2.5% GDP increase in the last year, nearing US growth and increasing at the highest pace since the 2008 financial crisis.

According to Deloitte's survey of European CFOs, optimism is up and more companies plan to invest in operations and staffing. Equity markets are at record highs, increasing over five percent in the quarter, according to the MSCI EMU index. Commodity markets are largely on an upward trend, with oil prices surging 20 percent in the quarter on tightened supply.

The foremost source of uncertainty in Europe at present, though, is Brexit. Recent developments have been positive but precisely what a new relationship between the UK and Europe will look like remains unclear in this complex environment, with a backdrop of continued concerns over the duration of recovery, the European Central Bank has started to unwind its €2.5 trillion bond-buying quantitative easing (QE) programme. The pace of ECB QE will unwind more slowly than in the US. But, the consequences could be significant. Suppressed by QE, and with inflation staying low, the Eurozone's interest rate remains at zero. In the UK, where inflation is higher, the Bank of England recently raised interest rates for the first time in a decade, by a quarter of a percentage to 0.5%.

There is a mixed EU-UK picture on consumer spending. Despite the Eurozone's household consumption level having increased by 0.5% from the first to the second quarter, as inflation dipped, the UK faces pressure. In the UK, as well as a 3% inflation rate, household debt has risen nearly 10% in a year, a factor that could eventually pose risks. Average household debt remains well above annual income in the UK at 126%, and compares starkly against 90% in France, and 83% in Germany where there has been a steady decline in the use of consumer credit since the 2008 financial crisis.

Turning to the leveraged loan markets average, leverage on offer remains high at 4.6x through the first lien and 5.0x total in October according to S&P. For context, this compares to 4.7x and 6.0x at the height of the credit markets 10 years ago. Notably, mid-market leverage has increased more quickly with debt transactions below €200m, senior debt to EBITDA amounted to 4.8x in October, up almost half a turn since April, and almost a full turn over 2016 at 3.9x according to S&P LCD. In addition, several market participants suggest that a ceiling has been reached in relation to the volume and size of EBITDA adjustments now prevalent in leveraged transactions, which suggests that underlying leverage multiples could in fact be significantly higher than those historically.

Margins remain competitive, where on average the yield to maturity for B rated Term Loan B issuance amounted to 393bps in October, a record low post crisis and almost a 70bp decrease on October 2016 alone. Repricing of existing facilities became a main feature of the market in 2017, representing over 50% of total leveraged loan transactions in the year to date, whilst buyout related issuance accounted for only 25%, according to S&P LCD. Whilst there has been steady downward pressure on pricing, and controls for lenders, which continue to rapidly disappear (three quarters of new issuance is now cov-lite, according to S&P), as yet there is no specific hard evidence of the market hitting a road block.

Default rates have largely remained around historic lows, predominantly due to low interest rates and the benign economic environment. Arguably however, with the majority of transactions becoming covenant light and structures where debt service is interest only, we would expect issues to arise closer to maturity. In particular, given the removal of early warning signs such as financial covenants, lenders have a reduced runway to take action and address issues, with the result that at the point of default, recovery levels will likely be lower in future than was the case historically.

Other areas that are being pushed by borrowers and remain contentious for lenders include loosening conditions in terms of debt incurrence, permitted payments to shareholders, transferability, equity cures, cash sweeps and portability of debt structures to new owners.

Meanwhile, there may be some early warning signs of overheating in the high yield bond market, where instruments trade quickly and see prices have been more volatile. The average high yield flow name bid, which reached highs of 105.7 in June, fell to c.102.5, alongside outflows across the market totalling €1.6bn in November, accounting for one of the largest outflows since S&P LCD began tracking the data in 2010. Questions regarding credit quality are emerging with notable nervousness initially affecting telecoms issuers in the US, before filtering down into the wider TMT and other sectors under pressure such as retail.

Moving onto Direct Lending, the perceived lower risk senior secured structures and generally solid cash returns have enduring appeal to investors. Whilst Direct Lending deals for the last 12 months are up an impressive 15% year on year, and despite continued large fundraising activity, such as ICG's recent €4.2 billion raise, important question Is whether demand is growing quickly enough to absorb supply, or whether current dynamics lead to an accumulation of dry powder. According to Preqin, around one third of capital across a number of private debt strategies remains uncommitted in Europe as of September 2017.

Alternative Lenders who have amassed large funds and are under pressure to deploy will be challenged to maintain strict credit controls.

Finally, as LPs have grown more comfortable with the asset class, another more recent trend has emerged where a number of pension and insurance funds have chosen to go direct, building in house teams to lend directly, apply their own strategy and ultimately build profitable businesses in their own right. That said, at present given the high set up costs, we expect that the majority of institutional investors will continue to invest through independent general Direct Lending managers with existing infrastructure and established track records.

Market poised for institutional Direct Lenders

The investment grade Private Placement market was pioneered by pension and insurance funds initially in 1990 to supplement traditional fixed income strategies, importantly this marked a move which resulted in more direct access to corporate borrowers.

Following the effects of the financial crisis in 2008, yield compression and a reduction in bank lending opened new avenues to these funds, with many turning their attention to the sub investment grade Direct Lending space. Similar to the PP market, investors were attracted by yield enhancement, longer tenors and the structural benefits of covenant protection as compensation for the perceived illiquidity. At inception, the majority turned to a number of experienced asset managers already operating in the sector.

Alternatively, some chose to go directly, a trend becoming more popular with LPs as they grow more acquainted with the asset class, with pension giant Caisse de dépôt et placement du Québec most recently joining the ranks which amongst others include well known institutional investors such as AIMCO, Allianz, Standard Life, Pricoa, M&G, PSP investments, USS and CPPIB. This trend is evident on a smaller scale too, where in October 2017, the Lancashire County Pension Fund and London Pensions Fund Authority pooled funds to form the Local Pensions Partnership, with a £1.3bn Direct Lending platform.

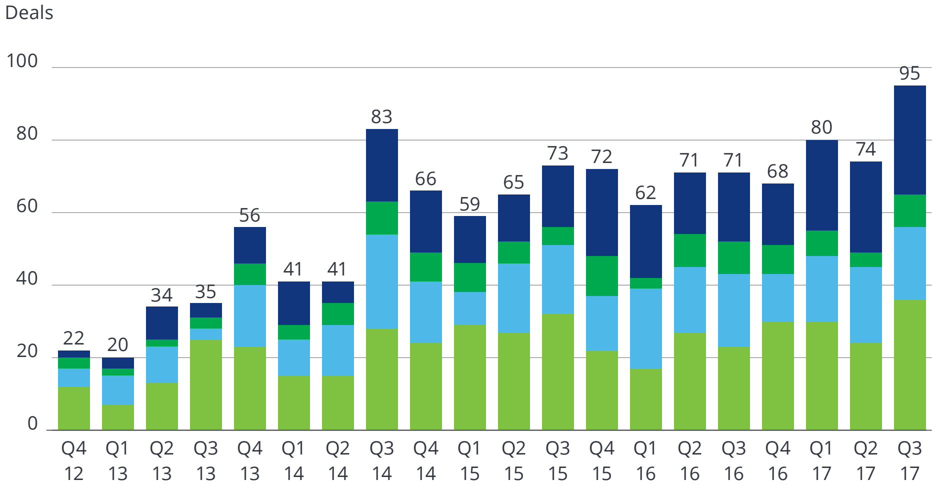
Some of these have chosen to form alliances, entering into agreements with banks who serve as a useful origination platform. As yet, it remains to be seen whether these players will continue as asset takers from banks on senior debt, or whether they continue to build upon their platforms once they gain scale and eminence in the market.

Alternative Lender Deal Tracker Q3 2017

Alternative Lenders continue to increase their deal flow…

Alternative Lender Deal Tracker

Currently covers 60 leading Alternative Lenders. Only primary mid-market UK and European deals are included in the survey.



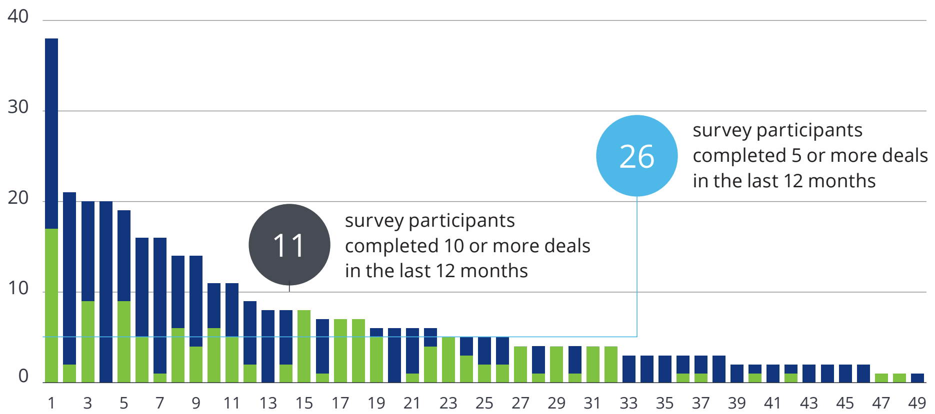
Data in the Alternative Lender Deal Tracker is retrospectively updated for any new participants

459 UK deals completed

729 Euro deals completed

1188 Total deals completed

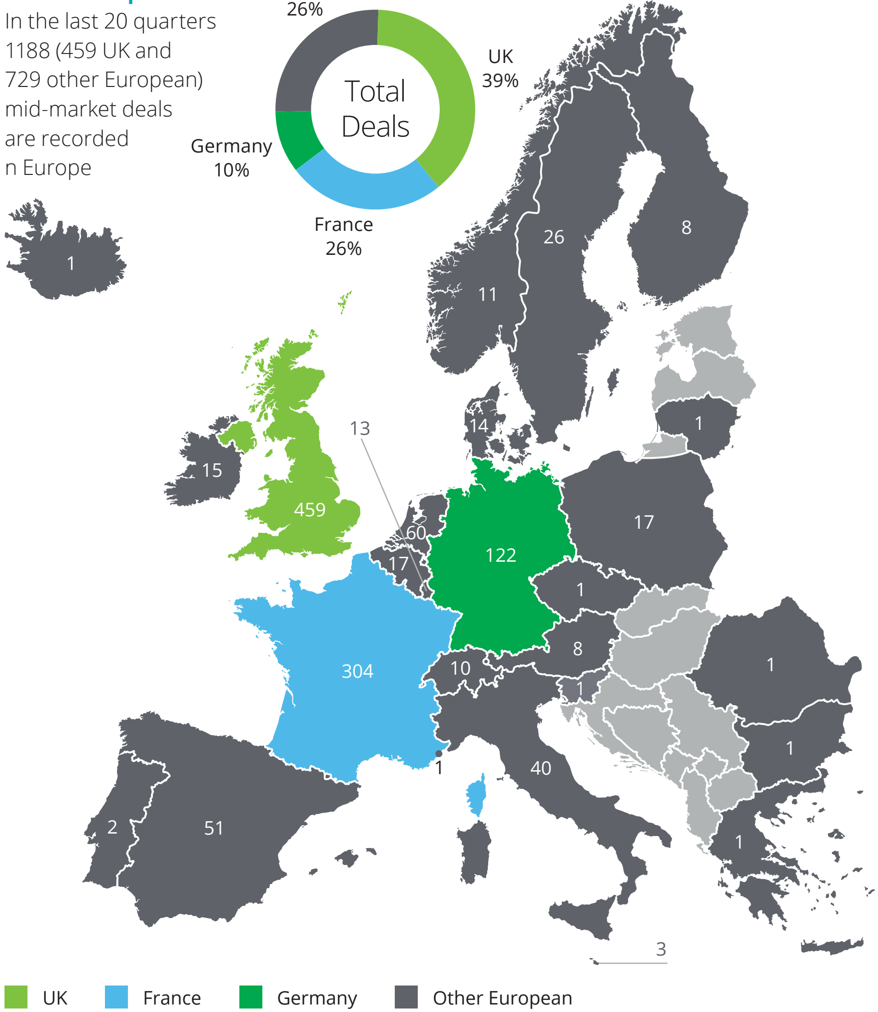
Deals done by each survey participant (Last 12 months)



…across Europe and across industries…

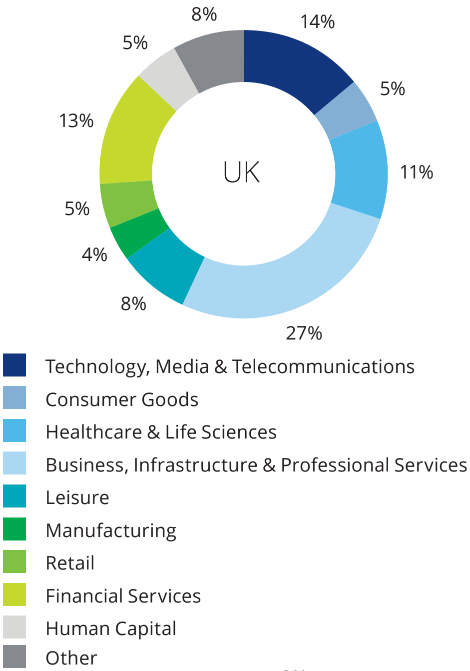
Total deals across Europe

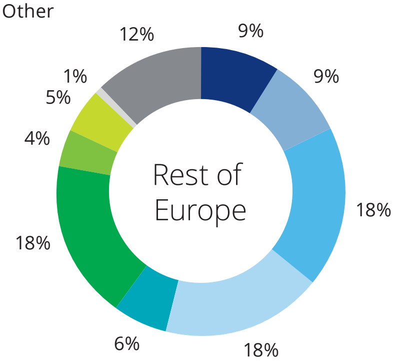
In the last 20 quarters 1188 (459 UK and 729 other European) mid-market deals are recorded n Europe



Total deals across industries (Last 12 months)

Within the UK the Business, Infrastructure & Professional Services industry has been the dominant user of Alternative Lending with 27% followed by TMT with 14%.



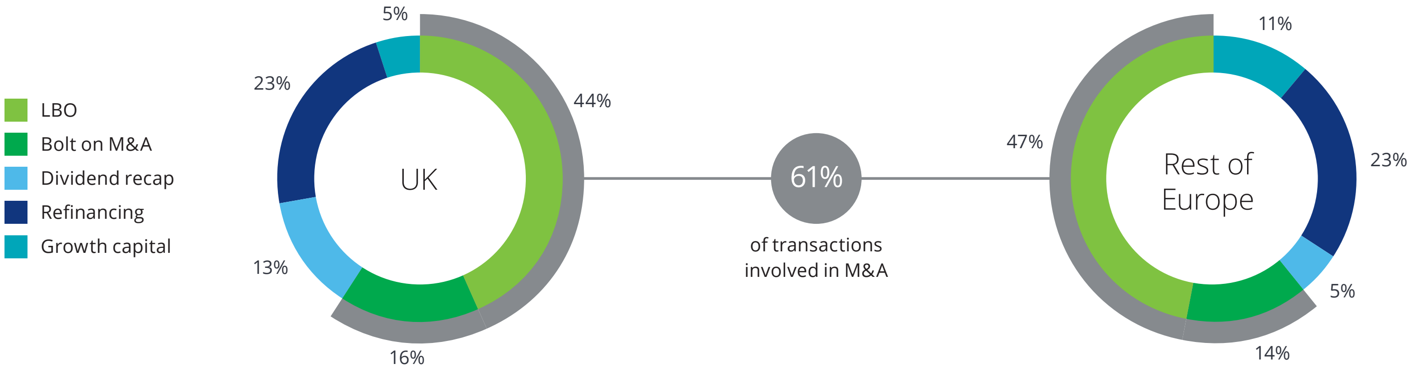


In the rest of Europe there are 5 main industries: Business, Infrastructure & Professional Services, Manufacturing, Healthcare & Life Sciences, Consumer Goods and TMT.

...providing bespoke structures for mainly "event financing" situations

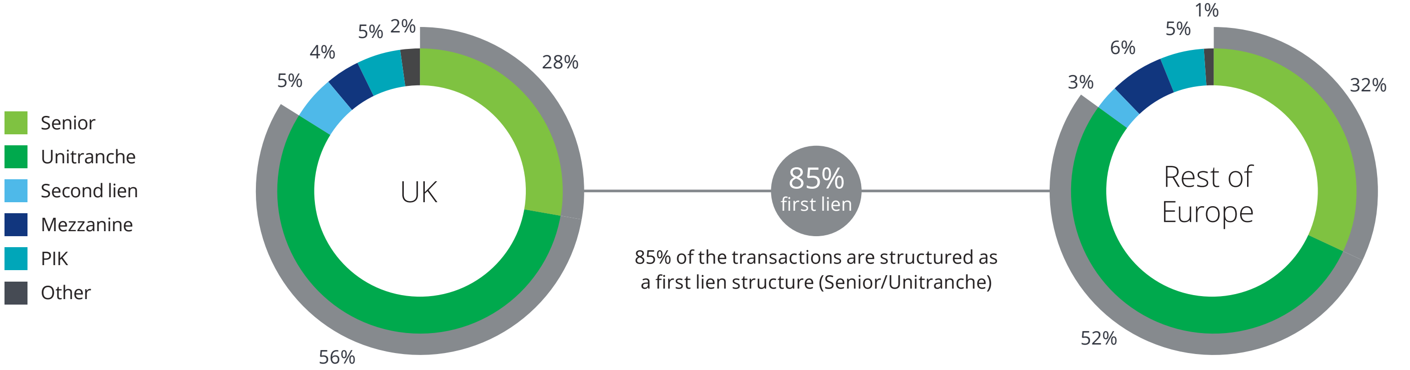
Deal purpose (Last 12 months)

The majority of the deals are M&A related, with 61% of the UK and Euro deals being used to fund a buy out. Of the 317 deals in the last 12 months, 57 deals did not involve a private equity sponsor.



Structures (Last 12 months)

Unitranche is the dominant structure, with 56% of UK transactions and 52% of European transactions. Subordinate structures represent only 15% of the transactions.



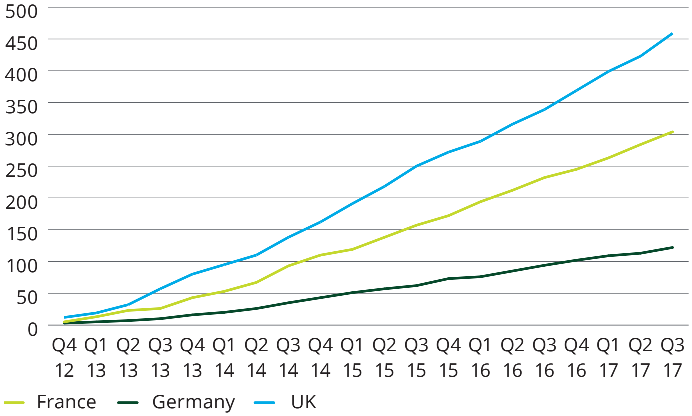
*For the purpose of the deal tracker, we classify senior only deals with pricing L + 650bps or above as unitranche. Pricing below this hurdle is classified as senior debt.

They become more prominent in all European countries…

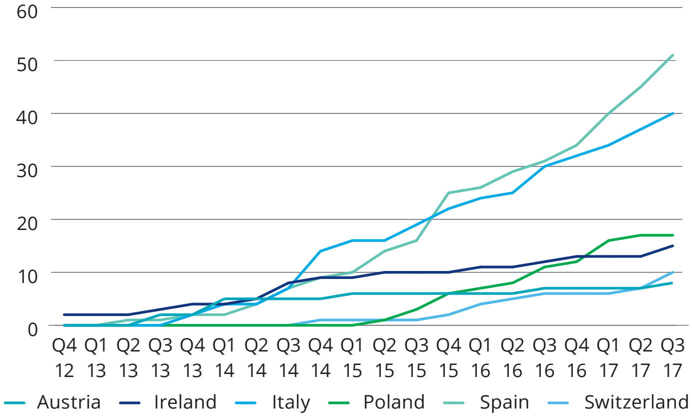
Cumulative number of deals per country

The number of deals is increasing at different rates in various European countries. The graphs below show countries which as of Q3 2017 have completed 5 or more deals.

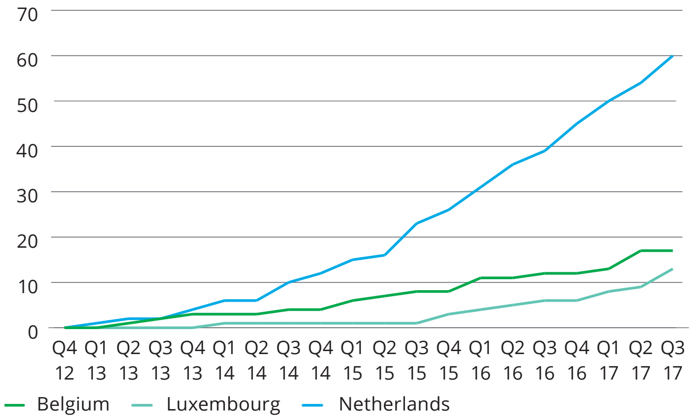
Largest geographic markets for Alternative Lenders



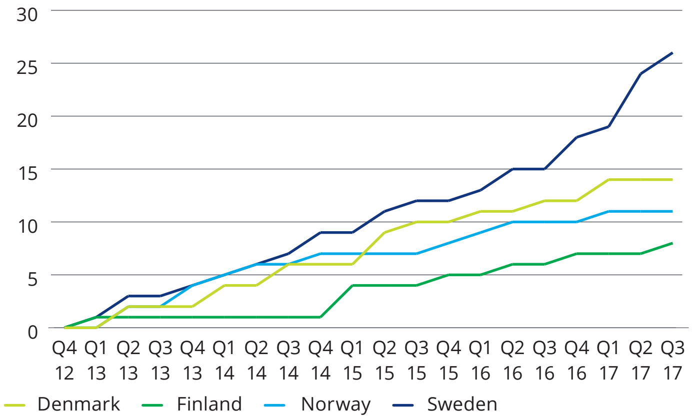
Other European



Benelux



Nordics

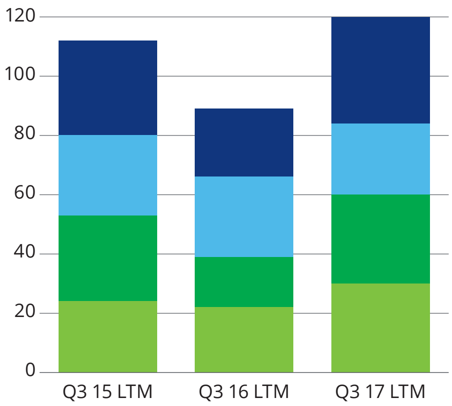


…with a steady growth in number of completed deals

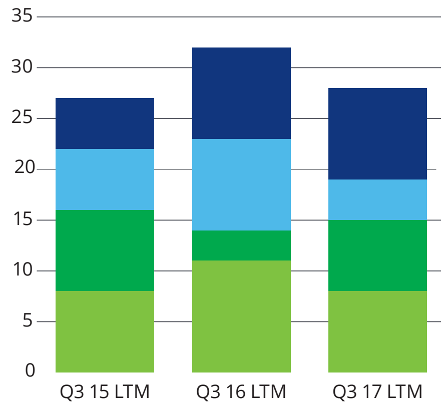
Comparison of deals for the last three years on a LTM basis for selected European countries

In all countries shown below, except Italy which completed a record number of deals in Q4 2014, the compound annual growth rate (CAGR) presented in the graphs over the two years has increased.

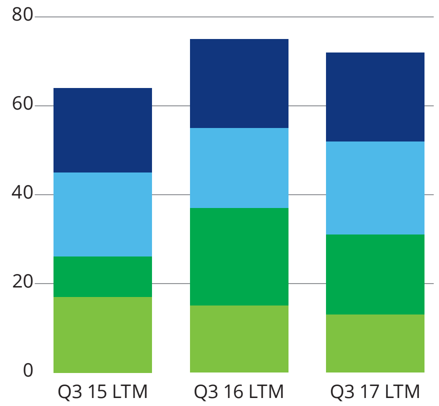
UK



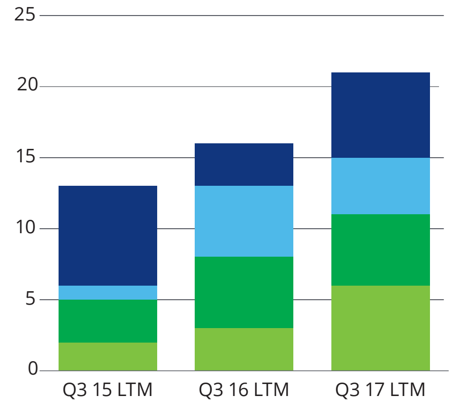
Germany



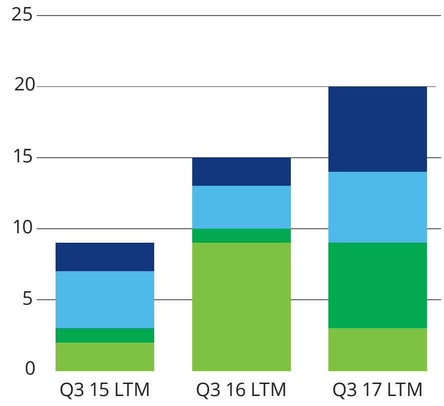
France



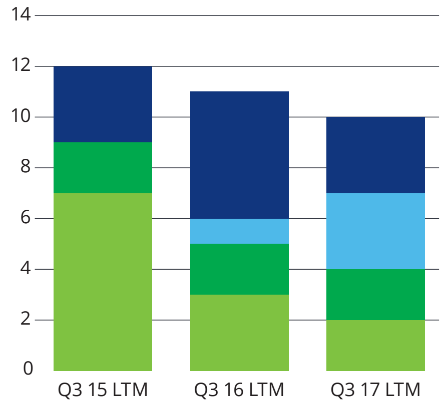
Netherlands



Spain



Italy



Q4 Q1 Q2 Q3

Which landmark unitranche deals have been completed?

Selected Landmark Unitranche Deals (>€90m)

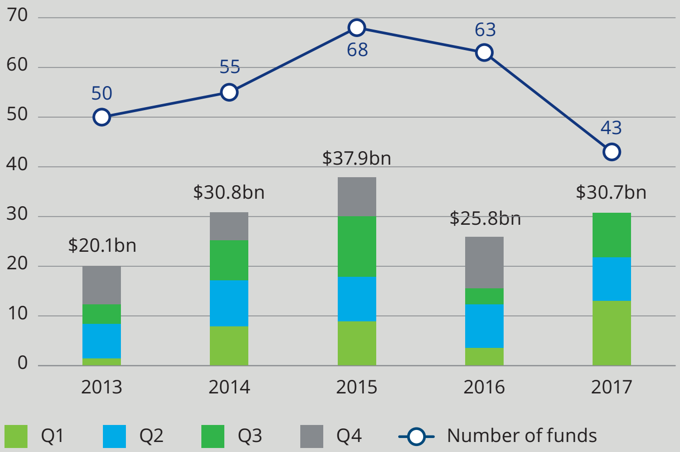
Borrower	Country	Unitranche in €m	Lenders	Sponsor	Date
Daltys	France		Permira Debt Managers	✓	Oct-17
Siblu Holdings	France		Alcentra, Barings, HSBC	✓	Aug-17
Non-Standard Finance	UK		Alcentra	–	Aug-17
Bergman Clinics	Netherlands		ICG	✓	Jul-17
Chassis Brakes International	Netherlands		KKR	✓	Jul-17
Schuelerhilfe	Germany		Alcentra	✓	May-17
JVH Gaming	Netherlands		Ares	✓	May-17
Duomed	Netherlands		Permira	✓	May-17
Fintyre	Italy		GSO Capital Partners	✓	Apr-17
Consolis	France		GSO Capital Partners	✓	Apr-17
Zenith	UK		Goldman Sachs	✓	Mar-17
Dentix	Spain		KKR	–	Dec-16
Paymentsense	UK		CVC, EQT	–	Nov-16
Roompot	Netherlands		KKR	✓	Nov-16
HCS Group	Germany		GSO	–	Nov-16
Lifetime Training	UK		Alcentra	✓	Oct-16
Lumenis	Netherlands		Alcentra	✓	Oct-16
IBA Molecular	UK		GSO	✓	Aug-16
Mater Private Hospital	Ireland		Macquarie, Goldman Sachs, KKR	✓	Aug-16
Laureate Education	Switzerland		ICG, Credit Suisse	✓	Jun-16
Marlink	Norway		Ares, Tikehau	✓	Jun-16
Groupe Bertrand	France		BlueBay Asset Management	–	Jun-16
Dobbies Garden Centres	UK		Ares	✓	Jun-16
InfoVista	France		Ares	✓	May-16
Marle	France		Capzanine, Babson	✓	May-16
Polynt and Reichhold	Italy		GSO	✓	May-16
OpenBet	UK		Ares	–	Apr-16
Petainer	UK		KKR	✓	Apr-16
Citation	UK		Alcentra	✓	Apr-16
Delsey	France		Avenue, Pemberton, Permira	✓	Nov-15
Verastar	UK		Ares	✓	Nov-15
Fintrax	Ireland		Ares	✓	Nov-15
Oberscharrer	Germany		BlueBay	✓	Nov-15
ESE	Netherlands		Avenue, BlueBay	✓	Nov-15
Bibliotheca	Switzerland		BlueBay	✓	Oct-15
Gala Bingo	UK		ICG	✓	Oct-15
Chiltern/Theorem	UK/USA		Hayfin, ICG, HPS Investment Partners, Bain Capital	–	Sep-15
Currencies Direct	UK		Alcentra, CVC, HPS Investment Partners	✓	Sep-15

100 200 300 400 500 600 700

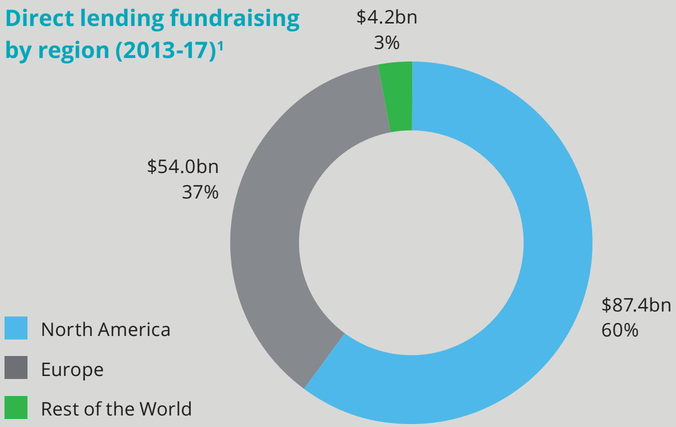
Source: S&P LCD, an offering of S&P Global Market Intelligence, Deloitte research and other publicly available sources.

Direct Lending fundraising

Global Direct Lending fundraising by quarter[1]



Direct lending fundraising by region (2013-17)[1]



[1] Preqin, Credit Suisse market intelligence, 2017.

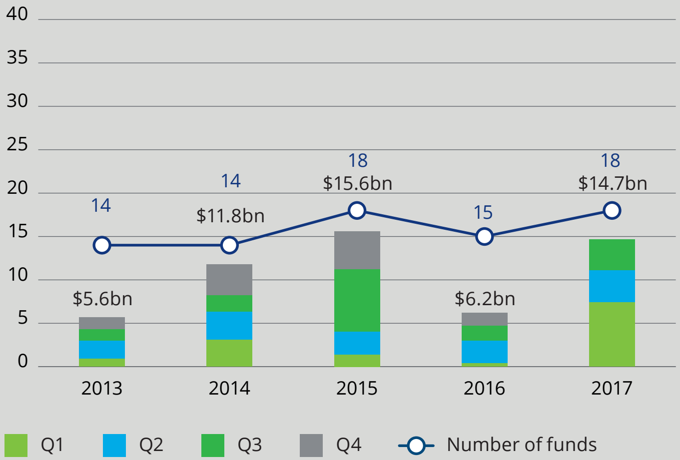
Largest European funds with final closings in 2017[1]

- Alcentra Clareant European Direct Lending Funds II **€4,300m**
- ICG Senior Debt Partners III **€4,200m**
- Hayfin Direct Lending Strategy II **€3,500m**
- Bluebay Senior Loan Fund **€2,800m**
- Permira Credit Solutions Fund III **€1,700m**

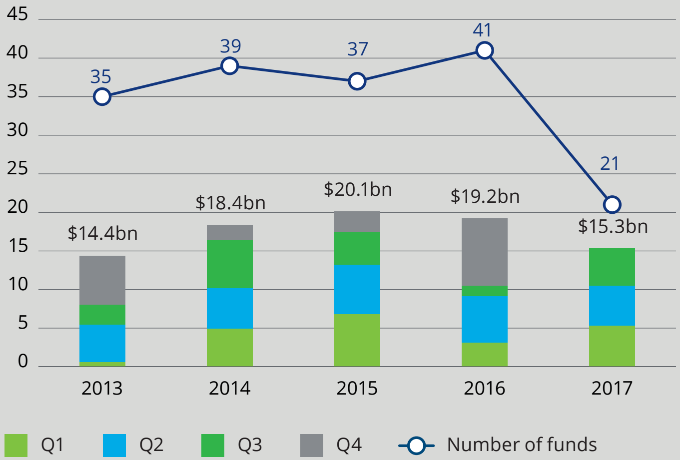
Largest North American funds with final closing in 2017[1]

- HPS Specialty Loan Fund 2016 **$4,500m**
- Benefit Street Partners Debt Fund IV **$2,500m**
- Cerberus Levered Loan Opportunities Fund III **$2,050m**
- Twin Brook Capital Partners Direct Lending Fund II **$1,600m**
- Bain Capital Specialty Finance **$1,300m**

Europe Direct Lending fundraising by quarter[1]



US Direct Lending fundraising by quarter[1]



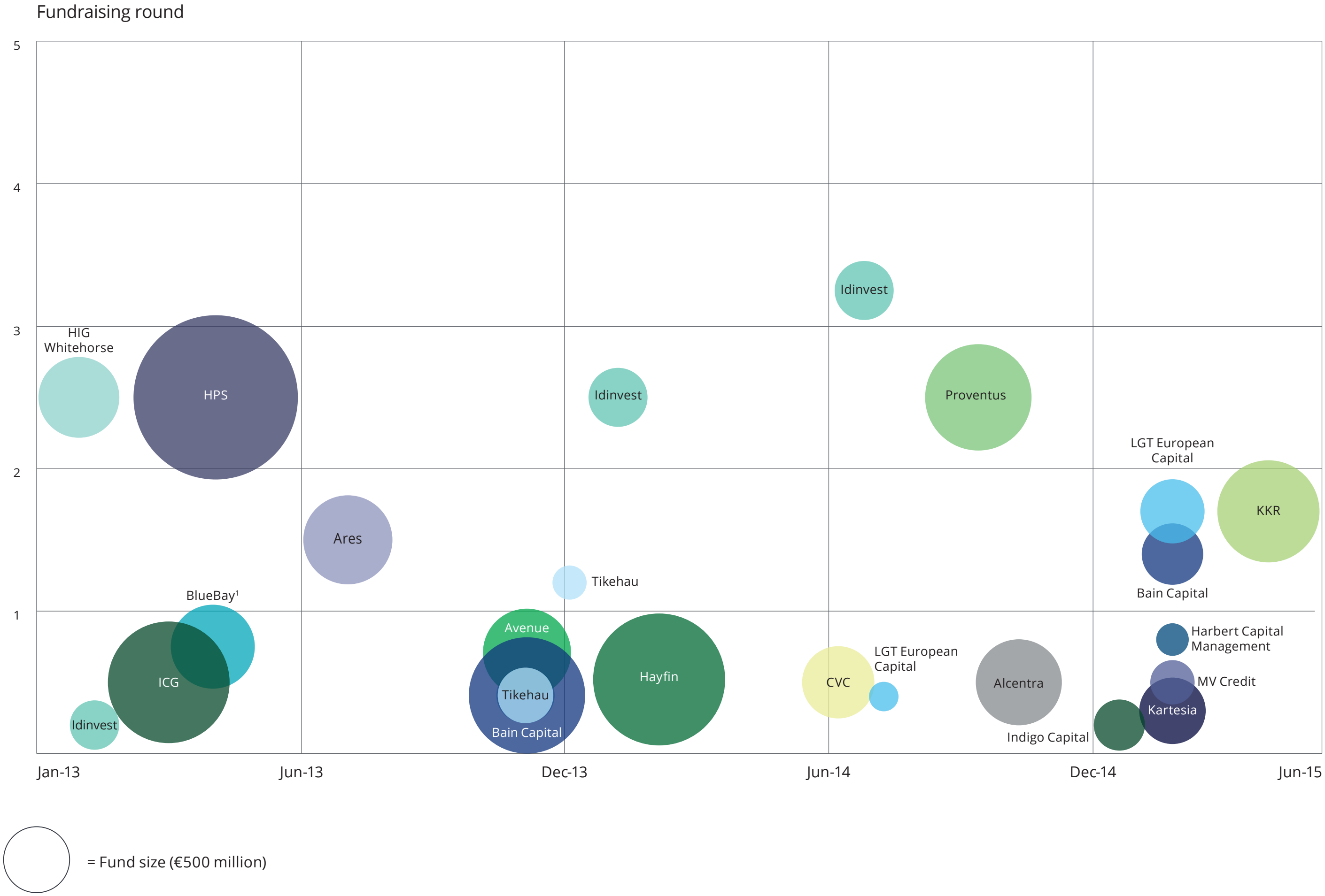
[1] Preqin, 2017.
[2] Credit Suisse Private Fund Group market knowledge.

Key takeaways

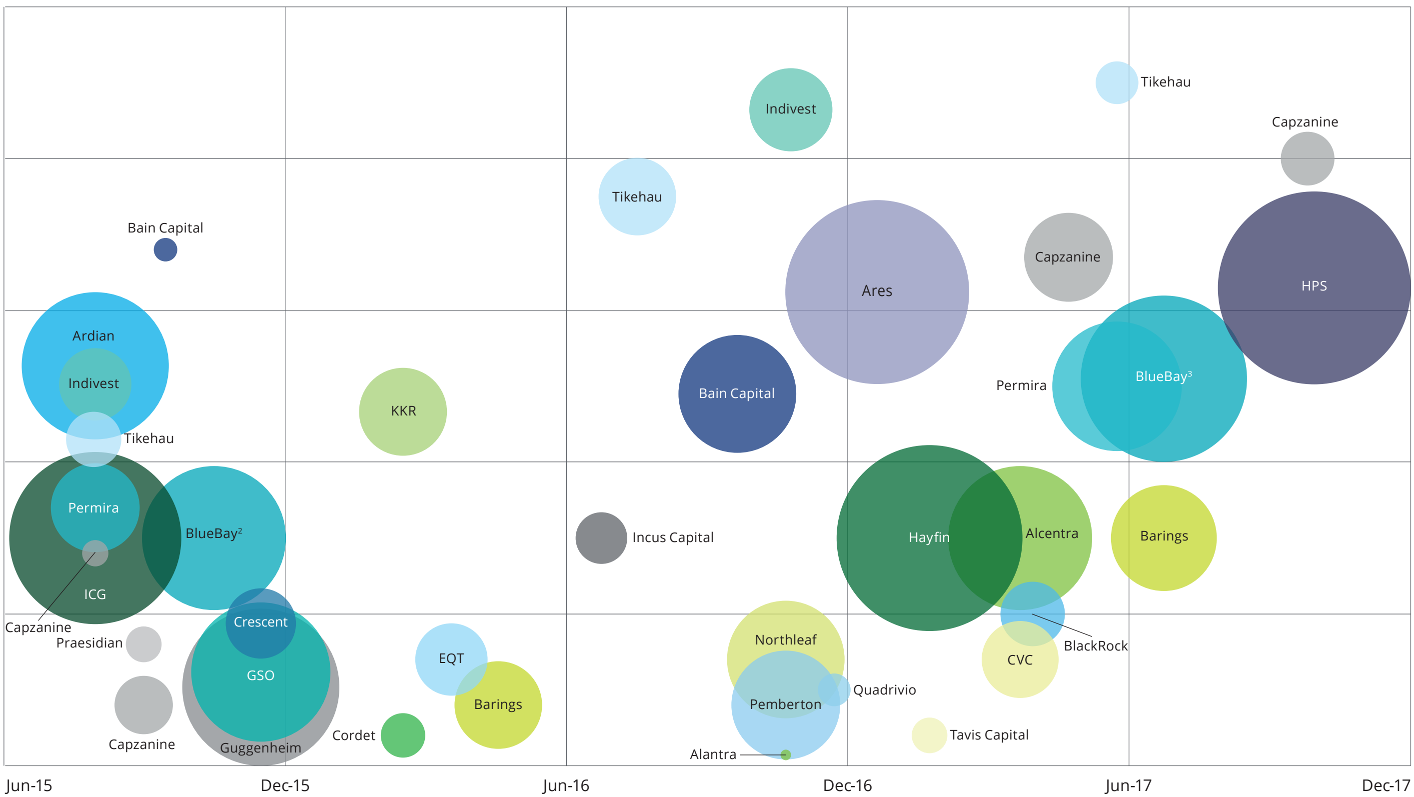
- While 2016 was disappointing for Direct Lending fundraising, primarily driven be weakness in the European market, 2017 saw a strong recovery, driven by an especially strong first quarter and a robust recovery in European volumes[1].
  - Q1 2017 was the strongest quarter of fundraising ever for Europe, driven by large funds that reached their final closings, with Alcentra Clareant European Direct Lending II and Hayfin Direct Lending II the largest of these.
  - Q4 2017 is showing signs of giving a strong end to the year in both Europe and the US, with significant volumes expected to close in both markets that would make 2017 the strongest fundraising year for Direct Lending by some margin.
- Strong investor interest in separately managed accounts continues, meaning that not all capital committed to the Direct Lending space is easily captured[2].
- c. 160 Direct Lending funds seeking aggregate commitments of c. $65 billion remain in the market as of December 2017, a c. 30% increase on this time last year[1].
  - North American funds represent the majority of those in market (c. 75 funds targeting c. $36 billion) with c. 45 European funds making up c. $22 billion.

Senior: How much funds have been raised by which Direct Lending managers?

Senior Direct Lending fund raising focused on the European market

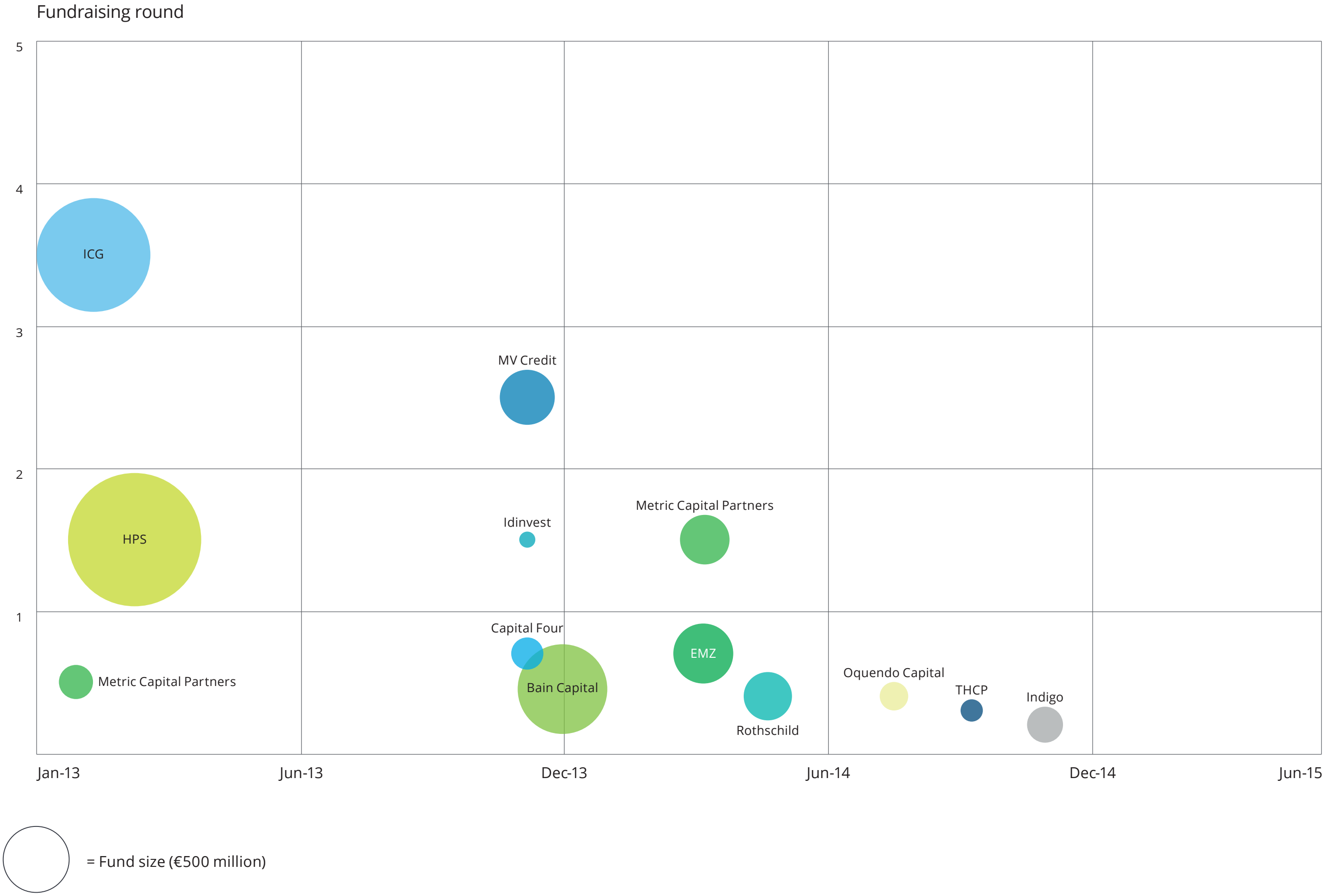


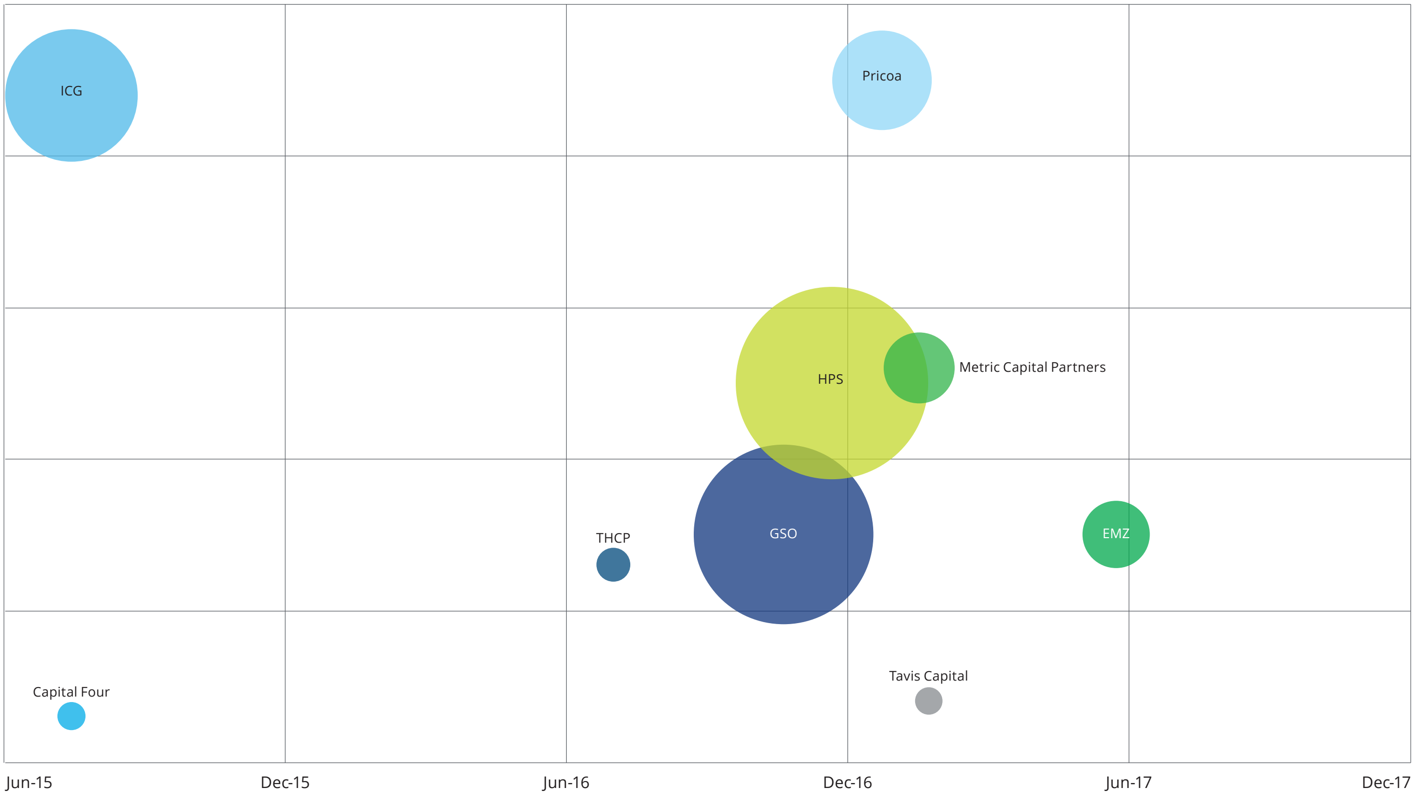
[1]Excluding €700m of managed accounts/overflow vehicles. [2]Excluding €145m of managed accounts/overflow vehicles. [3]Excluding additional leverage of approximately €400m


Indivest
Tikehau
Capzanine
Tikehau
Bain Capital
Capzanine
Ares
HPS
Ardian
Indivest
KKR
Bain Capital
Permira
BlueBay[3]
Tikehau
Permira
BlueBay[2]
Incus Capital
Hayfin
Alcentra
Barings
ICG
Capzanine
Crescent
Praesidian
Northleaf
BlackRock
CVC
GSO
EQT
Barings
Quadrivio
Pemberton
Capzanine
Cordet
Guggenheim
Tavis Capital
Alantra
Jun-15
Dec-15
Jun-16
Dec-16
Jun-17
Dec-17

Junior: How much funding has been raised by which Direct Lending managers?

Junior Direct Lending fund raising focused on the European market




ICG
Pricoa
HPS
Metric Capital Partners
THCP
GSO
EMZ
Capital Four
Tavis Capital
Jun-15
Dec-15
Jun-16
Dec-16
Jun-17
Dec-17

How much funds have been raised by which Direct Lending managers?

An overview of some of the largest funds raised in the market

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
Alantra				
Alteralia SCA SICAR	Q4 16	€139	Senior	Europe
Alcentra				
Direct Lending Fund	Q1 17	€2,200	Senior and Junior	Europe
European Direct Lending Fund	Q4 14	€850	Senior and Junior	Europe
Direct Lending Fund	Q4 12	€278	Senior and Junior	Europe
Ardian				
Ardian Private Debt Fund III	Q3 15	€2,026	Senior and Junior	Europe
Axa Private Debt Fund II	Q2 10	€1,529	Senior and Junior	Europe
Ares				
ACE III	Q2 16	€2,536	Senior and Junior	Europe
ACE II	Q3 13	€911	Senior and Junior	Europe
ACE I	Q4 07	€311	Senior	Europe
Bain Capital				
Bain Capital Specialty Finance	Q4 16	$ 1,255	Senior	Global
Bain Capital Direct Lending 2015 (Unlevered)[2]	Q4 15	€ 56	Senior	Global
Bain Capital Direct Lending 2015 (Levered)[2]	Q1 15	€ 433	Senior	Global
Bain Capital Middle Market Credit 2014[2]	Q4 13	€ 1,554	Junior	Global
Bain Capital Middle Market Credit 2010[2]	Q2 10	€ 1,017	Junior	Global
BlueBay				
BlueBay Senior Loan Fund I	Q2 17	€ 2,800	Senior	Europe
BlueBay Direct Lending Fund II	Q4 15	€ 2,100	Senior and Junior	Europe
BlueBay Direct Lending Fund I	Q2 13	€ 810	Senior and Junior	Europe
Capital Four				
Capital Four Strategic Lending Fund	Q3 15	€ 135	Junior	Europe
Capital Four Nordic Leverage Finance Fund	Q4 13	€ 200	Junior	Europe
Capzanine				
Artemid Senior Loan 2	Q3 17	€292	Senior	Europe
Artemid CA	Q3 15	€70	Senior	Europe
Artemid Senior Loan	Q3 15	€ 345	Senior	Europe

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
Capzanine 3	Q3 12	€ 700	Senior and Junior	Europe
Capzanine 2	Q3 07	€ 325	Senior and Junior	Europe
Capzanine 1	Q1 05	€ 203	Senior and Junior	Europe
EMZ				
EMZ 8	Q2 17	€774	Junior	Europe
EMZ 7	Q1 14	€695	Junior	Europe
GSO				
Capital Opportunities Fund II	Q4 16	$ 6,500	Junior	Global
European Senior Debt Fund	Q4 15	$ 1,964	Senior	Europe
Capital Opportunities Fund I	Q1 12	$ 4,000	Junior	Global
Harbert Capital Management				
Harbert European Growth Capital Fund I	Q1 15	€ 122	Senior and Junior	Europe
Hayfin				
Direct Lending Fund II 3	Q1 17	€ 3,500	Senior	Europe
Direct Lending Fund I	Q1 14	€ 2,000	Senior	Europe
HIG				
H.I.G. Whitehorse Loan Fund III	Q1 13	€ 750	Senior and Junior	Europe
ICG				
Senior Debt Partners III	Q4 17	€4,200	Senior	Europe
Senior Debt Partners II	Q3 15	€ 3,000	Senior	Europe
ICG Europe Fund VI	Q1 15	€ 3,000	Junior	Europe
Senior Debt Partners I	Q2 13	€ 1,700	Senior	Europe
ICG Europe Fund V	Q1 13	€ 2,500	Junior	Europe
Incus Capital				
Incus Capital Iberia Credit Fund II	Q3 16	€ 270	Senior and Junior	Europe
Incus Capital Iberia Credit Fund I	Q4 12	€ 128	Senior and Junior	Europe
Idinvest				
Idinvest Dette Senior 4	Q4 16	€ 510	Senior	Europe
Idinvest Dette Senior 3	Q3 15	€ 530	Senior	Europe
Idinvest Dette Senior 2	Q3 14	€ 400	Senior	Europe
Idinvest Private Debt III	Q1 14	€ 400	Senior and Junior	Europe
Idinvest Private Value Europe II	Q4 13	€ 50	Junior	Europe
Idinvest Dette Senior	Q1 13	€ 280	Senior	Europe
Idinvest Private Value Europe	Q2 12	€ 65	Junior	Europe
Idinvest Private Debt	Q3 07	€ 290	Senior and Junior	Europe
Kartesia				
Kartesia Credit Opportunities III	Q1 15	€508m	Senior and Junior	Europe

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
KKR				
Fund Lending Partners Europe	Q1 16	$ 850	Senior and Junior	Europe
Fund Lending Partners II	Q2 15	$ 1,336	Senior and Junior	Global
Fund Lending Partners I	Q4 12	$ 460	Senior and Junior	Global
LGT European Capital				
Private Debt Fund	Q1 15	€ 474	Senior and Junior	Europe
UK SME Debt	Q3 14	€ 100	Senior and Junior	Europe
Metric				
MCP III	Q1 17	€ 860	Special Situations	Europe
MCP II	Q2 14	€ 475	Special Situations	Europe
MCP I	Q1 13	€ 225	Special Situations	Europe
Northleaf				
Northleaf Private Credit	Q4 16	$ 1,400	Senior and Junior	Global
Permira				
Permira Credit Solutions III	Q2 17	€ 1,700	Senior and Junior	Europe
Permira Credit Solutions II	Q3 15	€ 800	Senior and Junior	Europe
Pricoa				
Pricoa Capital Partners V	Q1 17	€ 1,692	Junior	Global
Proventus				
Proventus Capital Partners III	Q4 14	€ 1,300	Senior and Junior	Europe
Proventus Capital Partners II/IIB	Q2 11	€ 835	Senior and Junior	Europe
Proventus Capital Partners I	Q3 09	€ 216	Senior and Junior	Europe
Rothschild/Five Arrows				
Five Arrows Credit Solutions	Q2 14	€ 415	Junior	Europe
Tavis Capital				
Swiss SME Credit Fund I	Q1 17	CHF 137	Junior	Europe
Tikehau				
Fund 5	Q3 16	€ 610	Senior and Junior	Europe
Fund 4	Q3 15	€ 290	Senior and Junior	Europe
Fund 3	Q2 15	€ 19	Senior and Junior	Europe
Fund 2	Q4 13	€ 134	Senior and Junior	Europe
Fund 1	Q4 13	€ 355	Senior and Junior	Europe

Recent Direct Lending moves

Recent Notable Direct Lending Moves

Alcentra	**Alexsey Protsik**, Analyst, joins from Nomura
Apera Capital	**Franklin Henrot**, Analyst, joins from Avenue
Apollo Global Management	**Matthew Kirsch**, Principal, joins from SMBC
Ardian Private Debt	**Ade Thiruchandran,** Analyst, joins from Puma Investments
Ares Management	**Alex Davies,** Vice President, Portfolio Management, joins from BlueBay
Bain Capital Credit	**Thomas Doerane,** Assocate, left for Oak Hill
Bayside Capital	**Dimitri Perepadenko,** Senior Associate, left for JP Morgan Special Situations
BeechBrook Capital	**Katja Lund Lefdal**, Associate, left for DNB PE
BeechBrook Capital	**Elliot Gargan**, Analyst
BeechBrook Capital	**Caroline de Lazardiere,** Associate, joins from Investec
BlueBay Asset Management	Dublin-based team, led by **Ross Morrow & Pat Walsh**, left to set up DunPort Capital Management
CDPQ	**Luis Mayans**, Head of European Direct Lending, joins from Avenue
CPPIB	**Bindu Dasari,** Principal, joins
CVC Capital Credit	**Nadia Rida,** Analyst, joins from Mizuho
Hayfin Capital Management	**Clement Le Lagadec,** Associate, joins from 3i
Hermes Investment Management	**Grischa Raoul Wenzeler,** Director, joins
LGT European Capital	**Antoine Crouillere,** Analyst, joins from Alpha Private Equity
LGT European Capital	**Samuel Bromwich,** Analyst, joins from Barclays

LGT European Capital	**Djibril Jean Diallo,** Analyst, joins
LGT European Capital	**Shane Lyons,** Senior Associate, joins from Lloyds
Macquarie Principal Investing	**Katherine Bradbrook,** Analyst, left
Park Square Capital	**Cyrus Imregun,** Associate, left for Alteri Investors
Partners Group	**Patrick Johnson,** Vice President, joins from RBS
Pemberton Asset Management	**Daniele Iacovone,** Head of Origination, left for Global Banker Capital
Pemberton Asset Management	**John Doyle,** Partner, Head of UK & Ireland Origination, left for Global Banker Capital
Pemberton Asset Management	**Peter Schlesinger,** Associate, joins from HSBC
Pemberton Asset Management	**Guillaume Farges,** Associate Director, joins from BNP
Permira Debt Managers	**Charlotte Claraco,** Investment Professional, joins from Barings
Proventus Capital Partners, London	**Vikas Nanda,** Director, joins from RBS
Tikehau Capital, Madrid	**Sergio Muelas Hernandez,** Analyst, joins from Indra
Tikehau Capital, Madrid	**Bernardo Tello Goncalves,** Analyst, joins from Montalban
Tikehau Capital, Milan	**Gabriele Scalco,** Analyst
Tikehau Capital, Paris	**Gregoire Loulsy,** Analyst, joins
Tikehau Capital, Madrid	**Arturo Melero,** Director, joins from HIG Whitehorse
Tosca Debt Capital, Manchester	**Victoria Daly,** Portfolio Dierctor, joins from Lloyds
TPG Specialty Lending	**Mikel Baixauli Etxebarria,** Associate, joins

Bruce Lock
Managing Director of Paragon Search Partners

Andrew Perry
Managing Director of Paragon Search Partners

Paragon Search Partners
Bruce and Andrew are co-Managing Partners of Paragon Search Partners, a London based search firm focused on the global credit markets, leveraged and acquisition finance, IB and private equity.

Alternative Lending in action: Case study

Stiga chooses Alternative Lending to refinance and power growth

Garden products business Stiga has optimised its financing structure using Alternative Lending to gear up for expansion

Georg Metz
CEO – Stiga

Stiga
Established in Sweden in 1934, Stiga has more than 80 years of experience in innovating consumer products. According to its tradition and demanding Nordic climates, all Stiga products are high in quality and excel in performance.

Stiga is well known for the quality and reliability of its lawnmowers, front cut ride on, lawn tractors and garden equipment. The Stiga name has been associated with lawnmowers, garden tractors, and ride on mowers.

Stiga, formerly known as Global Garden Products (GGP), is one of Europe's leading lawnmower and powered garden equipment makers. The company has a strong heritage dating back to 1934 but is looking firmly to the future. It has tapped alternative sources of financing to cut loan costs and power new growth.

This focus recently saw Stiga enter into one of the largest self-syndicated financing deals arranged in Europe, involving collateralised loan obligation (CLO) funds and banks. The Italy-headquartered company had been restructured in 2010, and has since enjoyed impressive growth rates, thanks to an improved product mix as well as new and innovative product solutions. Stiga is offering today the widest battery powered product range in the industry from battery powered hand-tools to battery powered large surfaces implement carriers and mobile controlled robotic lawn mowers – all based on the core Stiga brand.

However, in spite of having consistently increased revenues since 2010, Stiga had struggled to gain enough borrowing traction with banks, following the historic restructuring. As its fortunes continued to improve, and the Alternative Lending market grew, new opportunities for additional capital opened up. ***"We were coming from a restructuring, and our options at first seemed limited,"*** explains Georg Metz, Stiga's chief executive. ***"But our company has been outperforming industry standards, commercially, for many years, and we'd become the perfect type of customer for Alternative Lenders."***

By 2016, Stiga's continued growth meant it was in a strong position to approach the CLO market. Low interest rates, and a higher supply of investors interested in lending to mid sized businesses, meant there were more viable financing choices.

Last year, as part of a debt refinancing, Stiga established an asset based lending (ABL) facility to provide additional liquidity for its ongoing operations. In July of this year, the company announced its intention to refinance its senior bank loans, while keeping its ABL in place.

"We were able to really introduce ourselves as a fundamentally different business partner from how we'd been perceived due to the historic restructuring, introducing our business to a range of first class investors," says Georg.

Deloitte who was Stiga's financial advisor and Alcentra, the largest shareholder and the mandated lead arranger guided the company ***"through creating trust and confidence among new investors"***, he adds.

Stiga and its new lenders moved rapidly. By August 2017, the company had a new financing structure in place that comprised a fresh €230 million loan, combined with a subsequently closed €30m revolving credit facility. It is now well placed to pursue acquisitions and to continue diversifying products.

The scale of Stiga's loan meant that alongside banks, it brought in CLO funds – which typically operate in larger scale deals and whose agreements require rating agency approvals. Having CLOs involved was essential to achieving scale, but their need for ratings approvals added complexity, which Deloitte helped the company navigate.

Georg says funds' appetite, for taking well-calculated risk quickly, was essential in doing the deal. He adds: ***"We found that funds are fundamentally quick, and typically you talk directly to decision makers. Equally we have experienced a great deal of loyalty from our previous lenders who decided to continue their financial involvement in the company which is a testament to the close relationship we have had with them. I believe that this mix was the key to success of the recent refinancing."***

By presenting itself to so many potential backers, Stiga had a deal advantage. ***"We could show we had many potential options, which is always useful – it may be a good idea to do business together, but there is no pressure for anyone,"*** explains Georg. He adds that the conversations with the lenders also yielded useful insights: ***"We could listen to investors' comments very closely, translating valuable key questions into key performance indicators for ourselves, making us an even better company."***

Stiga now has a diverse array of backers, comprising CLOs and banks, involved in its loans. This puts the company in a strong position to pursue both organic and acquisition-based growth – and should it look for further expansion of its debt, it can access a pool of investors who already know its business strengths.

When to use Alternative Debt?

	Situations		Advantages
1	Private Equity acquisitions		Reduce equity contribution and enable more flexible structures
2	Corporates making transformational/ bolt-on acquisitions		Enable growth of private companies with less/no cash equity
3	Growth capital		Enable growth opportunities
4	Consolidation of shareholder base		Enable buy-out of (minority) shareholders
5	Special dividend to shareholders		Enable a liquidity event
6	To refinance bank lenders in highly-levered structures		Enable an exit of bank lenders
7	Raising junior HoldCo debt		Increase leverage for acquisitions/ dividends

Alternative Lending in action: Spotlight on the Spanish market

Spain spotlight: Local presence and sponsorless deals key to lenders' success in growing market

International Direct Lenders and local firms are making the most out of a recovering Spanish lending market. Aitor Zayas, a director of Debt Capital Advisory at Deloitte Spain, explains how they are succeeding

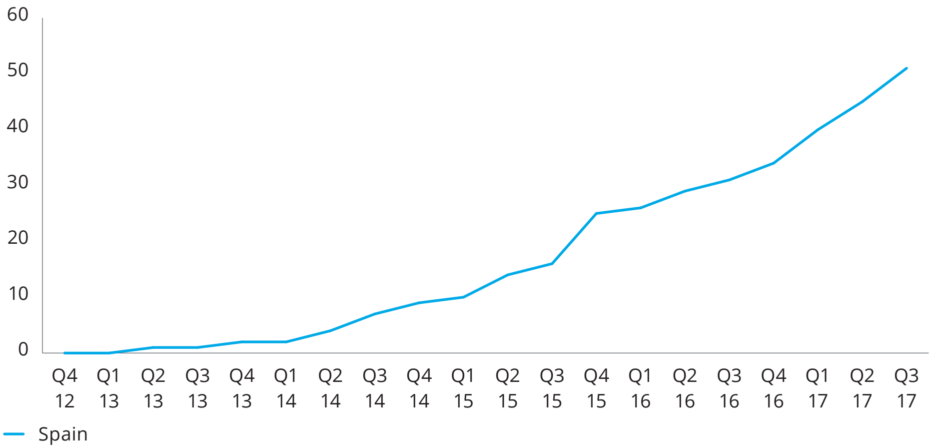
Although high expectations were raised in the context of the struggles of the Spanish banking sector during the global and local financial crisis, so far Spain has not been a major market for Alternative Lenders. Key reasons for this include fierce competition from banks and the fact that the addressable Spanish private equity middle market is smaller than some of its European counterparts such as France, Italy and the Netherlands.

As new Alternative Lenders enter the market, large Spanish banks are not giving in easily to this fresh competition, and those institutions have further grown in size by absorbing some of the *Cajas*. Five years after the crisis and in an environment of continued cheap money from quantitative easing, the banks are again keen to put their balance sheet to work.

As a result, the **Spanish corporate and leveraged lending market is still dominated by banks**. As of today – Spanish banks provide senior debt, at 3.5x leverage, at a lower price (E + 275 - 325bps quote) than their counterparts elsewhere in Europe.

However, the disappearance of the *Cajas* from leveraged lending as asset takers, together with a strong bank consolidation, means it is sometimes more difficult and lengthy to put together leveraged club deals, as bank underwriting in middle market deals is still very unusual. This is an opportunity for Alternative Lenders who are well placed to take advantage of these dynamics.

Cumulative number of Direct Lending deals in Spain



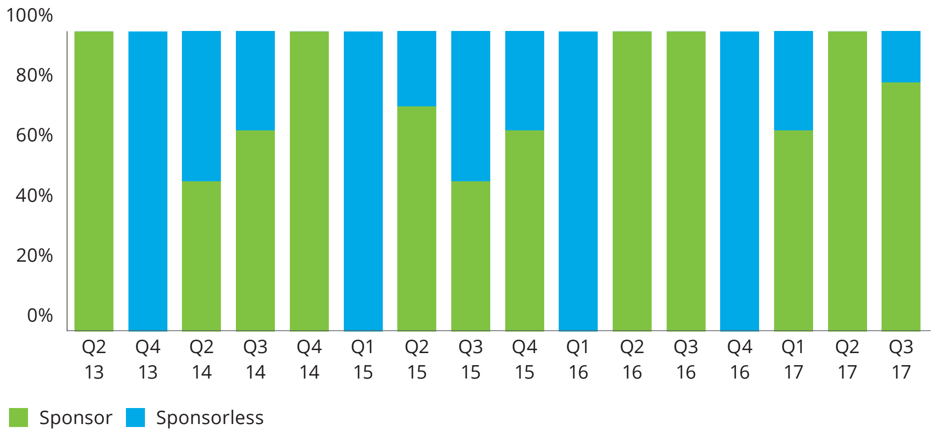
Overall, recent data suggests that penetration of Alternative Lenders is accelerating in Spain. Figures from the Deloitte Alternative Lender Deal Tracker, for the third quarter of this year, show that since 2012 some 51 deals have been made in the market. In the third quarter of this year, we were aware of six major deals, triple the number during the same period last year. The last 12 months are up 40% from the previous period. Loans were spread across sectors including healthcare, retail, manufacturing and specialist consumer services.

Spain lags behind in deal count compared to the major Alternative Lending markets of the UK and France. The 20 deals in Spain in the last 12 months are not that far behind Germany's 28, and Spain's Direct Lending deal count is now double that of Italy.

Aside from banks, Direct Lenders in the Spanish market face competition in the form of MARF, an unregulated alternative fixed income market that enables larger mid-sized companies to access capital.

The multilateral trading platform, inspired by Germany's BondM, has managed to channel over €4.8 billion of total issuance so far, evenly split between long-term bonds, including issues from both corporate and infrastructure projects, and shorter term commercial paper.

Sponsor vs sponsorless



The main investors in MARF-listed bonds are asset managers, pension funds and insurers that are involved for terms of over six years. Today the long-term bond market, effectively a "landing platform" for private placements, has more than 30 live listings. The credit profile of issuers is more conservative, involving less leverage than with usual Direct Lending borrowers, with companies aiming to diversify away from banks and sign longer term deals. On the shorter, commercial paper side of the market, there has also been a high level of investment in listings issued by well-known mid market corporates including Spanish department store El Corte Inglés and international hotel firm Barceló.

Direct Lending funds operating in Spain, therefore, face stiff competition from banks and from the nascent MARF market. Moreover, **due to the relative smaller size of Spain´s middle market, funds need to make more of a sourcing effort compared to other European jurisdictions**. However, Alternative Lenders, from within Spain and from abroad, can still do very well when they have a local presence and have a flexible approach to sponsorless situations.

Among the Spanish funds closing deals is Alantra, which made nine investments in the last two years and aims to help Spanish firms expand internationally. Lenders ***"need a local team to be able to tap into companies which are not on the radar screen of the large international debt funds,"*** explains Luis Felipe Castellanos, a managing partner at the company.

Then there is Oquendo, which is one of the longest established Spanish private debt firms, and is a lower mid-market lender with a mezzanine focus. ***"Local origination, execution and decision-making capacity are differentiating elements"*** for funds, according to Daniel Herrero, a partner at the firm. While larger funds concentrate on unitranche debt, which brings together senior and subordinated loans, Oquendo works with banks ***"to provide financing packages which will effectively compete against unitranche instruments"***.

Foreign funds, eying the local growth, are slowly becoming aware of the opportunities, and are establishing a Spanish presence to demonstrate a commitment to the market.

The non-Spanish funds are led by major players such as French firm Tikehau Investment Management, which recently opened a local office with leadership from Carmen Alonso, who has held numerous bank executive roles.

Then there is US-based Muzinich, the only international Direct Lender that has raised a fund with an Iberian mandate that makes local presence mandatory. Rafael Torres Boulet, Muzinich's head of Iberian debt, notes: ***"Local presence and execution capabilities seem key ingredients to originate and build a strong portfolio of investments."***

Many of the more established Alternative Lenders in Europe are those comfortable in the leveraged buyout environment, sitting at the table with banks and private equity houses. However, given the level of established competition in this space – we believe the best opportunities in Spain now take a different form.

One of the best routes into the market for Direct Lenders is in the sponsor-less space, meaning financing companies without private equity backing. Taking this line is smart because it avoids some of the competition from other funds that have a private equity mandate only and it enables firms to present themselves as a one-stop solution that is quicker than banks, simple, and less dilutive than private equity financing.

However, partnering with banks remains a viable alternative, particularly given the opportunity to balance debt allocation. ***"Direct Lending can complement bank financing by minimising amortisation requirements with bullet TLB, and optimising leverage with subordinated tranches"***, explains Ms Alonso at Tikehau.

At Deloitte we see deals that are below €150 million debt as a niche in which Alternative Lenders usually excel.

Jaime Prieto, managing partner at Luxembourg-based Kartesia, which has a local team, adds that while sponsor based deals remain important the sponsor-less market ***"represents the largest and most attractive opportunity"***. He adds: ***"As such, we look for companies with resilient business models, transparent and reliable information."***

Direct Lenders are also capturing opportunities in real estate, an area that remains unattractive to banks. These alternative capital firms can lend during the construction phase, as a bridge to bank financing later on.

Another angle for Alternative Lenders is helping borrowers exit bank loans. These story credits can find a way out of refinancing agreements, using Alternative Lenders to buy-out their existing banking pool and enter a "clean-up period" to carry on projects postponed during the restructuring years.

In essence, the Spanish lending market post crisis is becoming stronger and more diverse, with more alternatives available than ever, including Direct Lending, private placements, and the MARF bond market.

Borrowers are also becoming much more comfortable with Direct Lenders, particularly when they have a local presence. Direct Lending businesses are shedding the 'vulture' tag their more aggressive predecessors had acquired, setting sensible return rates and showing local commitment.

In the context of economic recovery and healthy GDP growth, across Spain, funds have the opportunity to build from a basis of increased borrower appetite. As borrowers begin to grow, they are increasingly aware of this newer capital option. They are using the cash injection to buy competitors or partners, to recapitalise, to offer dividends, and to support many other new opportunities where banks are simply unable to invest.

Investors are of course watching events in Catalonia, an economy that represents around a fifth of Spanish GDP. It seems, however, that uncertainty heightens the need for Direct Lenders, who are keen to continue working with the powerful Catalan midmarket while larger institutions may question the risks.

The Direct Lending market in Spain has huge potential and we believe strongly that it will maintain its momentum of growth. **For many Direct Lenders, having a local presence and going sponsorless are the key to success**.

Aitor Zayas
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HOTEL DIAGONAL BARCELONA

Deloitte's CFO Survey

Results from Deloitte's European CFO Survey Q3 2017

The message from CFOs in the Q3 2017 Deloitte European CFO Survey is a positive one, with growing optimism, less uncertainty and an increase in employment and investment intentions among most of our respondents.

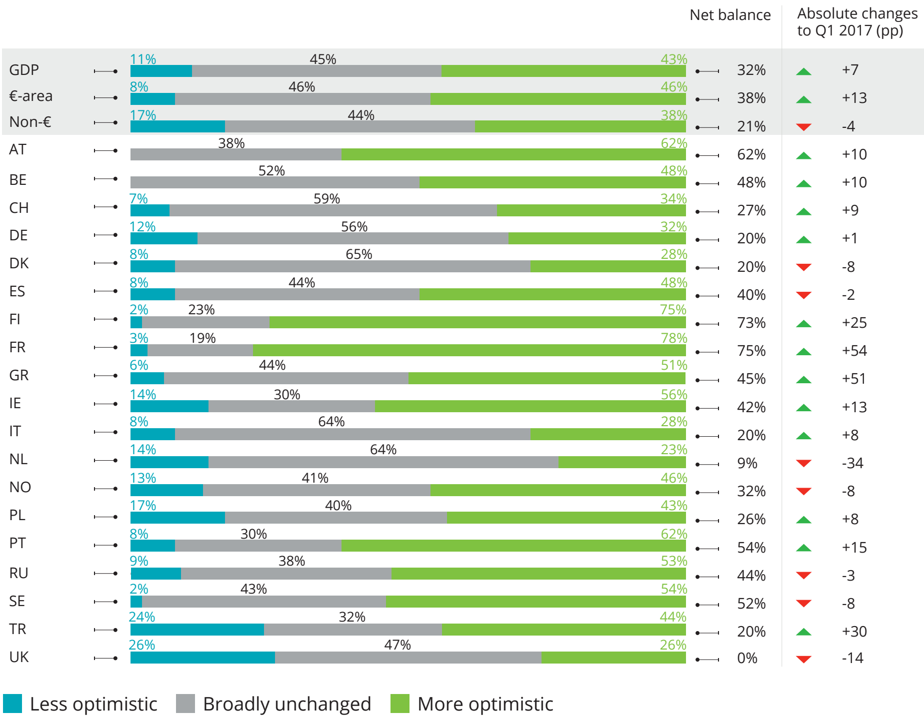
These slightly brighter prospects for the euro area are evident in the views of CFOs, with a net balance of +38% feeling more optimistic, an increase of +13 percentage points (pp) since Q1 2017. The greatest optimism is among the CFOs in France (+54pp) and Greece (+51pp). In France this reflects improvements in the economic outlook, with growth forecasts for 2017 upgraded from 1.3% to 1.6% and signs of strengthening across the labour market.

In Greece, the improving CFO sentiment is a reflection of how things have started to change. For the first time in three years, the Greek government was able in July to raise money from the bond market. In addition, market expectations around the risk of 'Grexit' have fallen to an all-time low. Although the unemployment rate is still high and private consumption growth was slow in Q2, the European Union's closure of the excessive deficit procedure for Greece was a clear sign to CFOs that the country and its economy are moving forward.

Financial prospects (%)

Compared to three months ago, how do you feel about the financial prospects for your company?*

GDP-weighted average net balance 32%



*Note: In Denmark, Finland, Norway, Italy, Poland, Spain and Sweden the questions specified a six-month period.

Source: Deloitte publication "The Deloitte CFO survey Q3 2017: CFOs switch focus to longer term"

In contrast to the overall optimistic sentiment within the euro area, the views among CFOs in other countries about financial prospects deteriorated, on average, with the net balance between CFOs who are optimistic to those who are pessimistic falling by 4pp, to +21%.

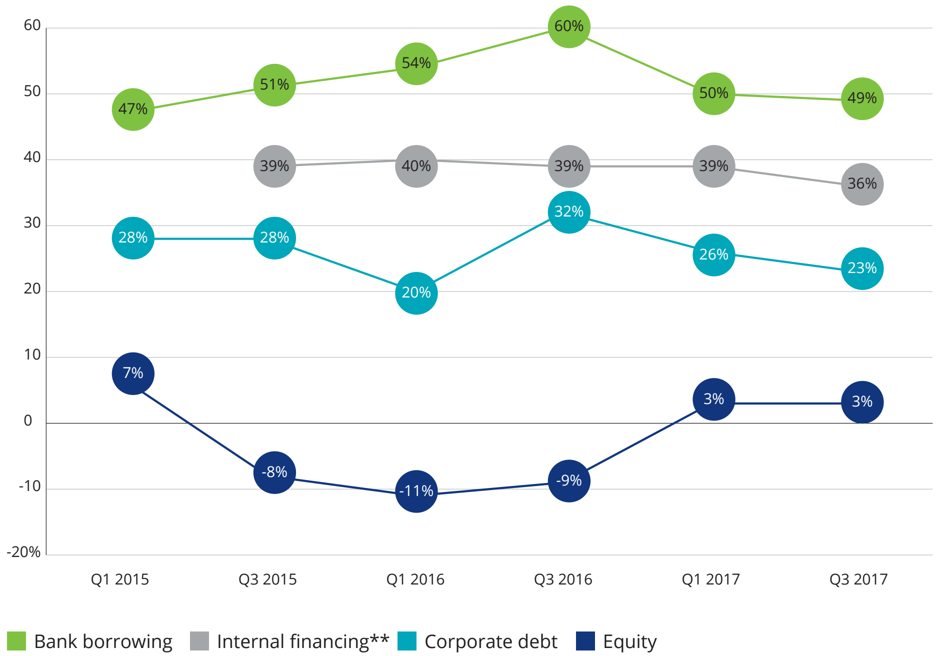
This result was caused largely by a decline in optimism among CFOs in the UK (-14pp), compounded by the GDP weighting assigned to all survey results. Second quarter growth in UK GDP came in at 0.3%, making the UK the slowest-growing economy among the Group of Seven major industrialised nations. With the Brexit-induced fall in the British pound, the UK has recorded one of the highest inflation rates in the industrial world, squeezing real earnings and consumer spending power.

Sources of funding – GDP-weighted net balances (%)

CFOs are optimistic about their revenues and operating margins, they pan to increase capital expenditure and employee numbers, and over the next 12 months they are more inclined to prioritise expansionary strategies. This suggests that in the near future there might be an increase in demand for funding. At the moment compared to Q1 2017 the sources of funding for corporates in their country as rated by CFOs are practically unchanged.

Sources of funding – GDP-weighted net balances (%)

How do you currently rate (bank borrowings, corporate debt, equity, internal financing) as a source of funding for corporates in your country?



*Finland and Russia asked the question as specific to "your own company."
**Internal financing was first asked in Q3 2015.

Source: Deloitte publication "The Deloitte CFO survey Q3 2017: CFOs switch focus to longer term"

Bank borrowing remains preferred source of funding among CFOs, especially in the euro area. Bank borrowing receives the highest ratings from CFOs in both large and medium size businesses (net balances of +53% and +51% respectively). For smaller businesses, a net balance of only +31% of CFOs identify it as an attractive source of funding, while +41% identify internal financing as the most attractive.

Overall internal funding is the second-best preference, although its popularity slightly declined compared to the previous quarter (-3pp). In the euro area, the net balance of CFOs who consider it is a good source of funding for corporates in their country went from +37% in Q1 2017 to +33% this quarter. Outside the euro area the net balance was virtually unchanged.

Corporate debt and equity are unsurprisingly considered more attractive by CFOs in large companies, as they are more familiar with these sources of funding for their business. For larger companies, corporate debt is the second highest rated source of funding, with a net balance of +48% while only +25% and +2% of CFOs in medium and small businesses identify it as attractive.

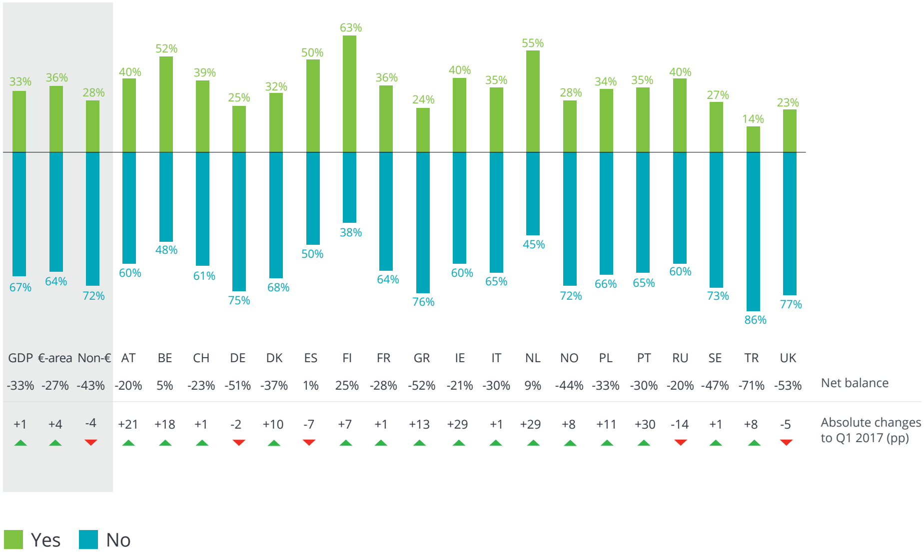
Risk appetite remains weak but is growing

The overall willingness of CFOs to take on additional risk is substantially unchanged since the beginning of the year. Two-thirds of CFOs indicate that this is not a good time to take on additional risk – the same as in Q1 2017.

Risk appetite (%)

Is this a good time to be taking greater risk onto your balance sheet?

GDP-weighted average net balance – 33%



Source: Deloitte publication "The Deloitte CFO survey Q3 2017: CFOs switch focus to longer term"

CFOs in the euro area are willing to take on more risk

The overall net balance masks two different trends, among countries inside and outside the euro area. Whereas risk appetite among CFOs, as measured by the net balance, increased by 4pp in the euro countries compared to Q1 2017, outside the euro area it fell by the same amount – driven particularly by a decline in risk appetite among CFOs in Russia and the UK. As in Q1 2017, CFOs in Turkey are the least willing to take on additional risk, although there has been an improvement of +8pp in the overall net balances.

It seems that CFOs remain cautious, adopting a 'wait-to-see' approach, in spite of the reduced level of uncertainty (Chart 2) and the general upbeat mood about financial prospects (Chart 1). It will take time and further signs of reduced uncertainty before the improving sentiments feeds into a more positive attitude towards risk.

Attitudes to risk vary across industries

CFOs in TMT are the most willing to take additional risk on their balance sheets (net balance – 17%), followed by CFOs in the manufacturing sector (net balance – 21%). In comparison, less than one-quarter of CFOs in the energy, utilities and mining sector feel that this is the right time to take on greater risk (net balance – 52%).

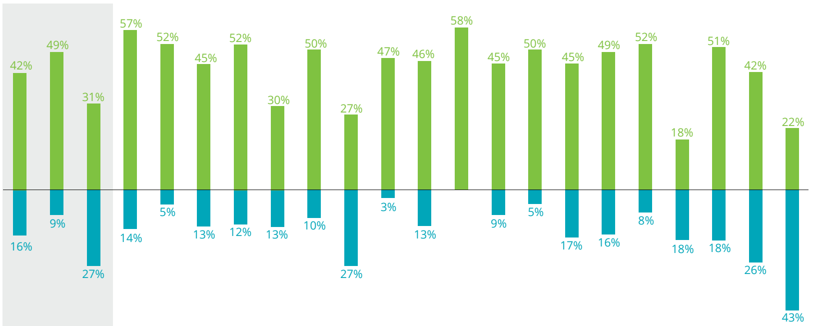
CAPEX intentions increase a little

The outlook for capital expenditures (CAPEX) this quarter remains broadly positive and substantially unchanged since Q1 2017. Among CFOs across Europe, there is a net balance of +27% planning to increase capital expenditure over the next 12 months, up by 3pp since Q1 2017. While the proportion of CFOs expecting to reduce capital expenditures is exactly the same as in the previous survey, the percentage expecting an increase rose slightly. This indicated that more companies are moving towards an expansion of their business facility.

Capital expenditure (%)

In your view, how are capital expenditures for your company likely to change over the next 12 months?*

GDP-weighted average net balance 27%



	GDP	€-area	Non-€	AT	BE	CH	DE	DK	ES	FI	FR	GR	IE	IT	NL	NO	PL	PT	RU	SE	TR	UK
Net balance	27%	41%	4%	43%	48%	31%	40%	17%	41%	0%	44%	33%	58%	35%	45%	28%	33%	44%	0%	33%	16%	-21%
Absolute changes to Q1 2017 (pp)	+3	+2	+4	-12	-9	+15	+4	-6	+7	-28	+3	+13	+16	+4	-7	+3	-1	+5	-4	+19	+17	0

Increase Decrease

*Note: In the UK CFOs were asked "How is capital expenditure for UK corporates likely to change over the next 12 months?"

Source: Deloitte publication "The Deloitte CFO survey Q3 2017: CFOs switch focus to longer term"

CAPEX intentions outside the euro area are much lower

Expectations about CAPEX are positive both within and (although much lower) outside the euro area. Whereas the net balances of +41% of CFOs in the euro area expect an increase in their capital expenditure, the net balances outside the euro area is only +4%. The difference is due mainly to the UK, where 43% of CFOs expect a reduction in capital expenditure by UK corporates. Business investment in the UK has been weak since the financial crisis and CAPEX expectations on average have been negative since the Brexit vote (see the Q3 2016 European CFO Survey) – although they have improved and the net balances is currently 29pp greater than in Q3 2016.

In neighbouring Ireland, on the other hand, the proportion of CFOs planning to increase their capital expenditures is the highest in the survey. With the Irish economy projected to grow, driven by robust domestic demand and a tightening labour markets, CFOs seem willing to invest further.

CAPEX intentions have increased in Germany for the fourth survey in a row, with a net balance of +40% of CFOs planning to expand capital expenditure compared to those intending a reduction. This is an improvement of 18pp compared to two years ago (Q3 2015) – one of the biggest improvements within the euro area. Since the financial crisis, capital investment in Germany has been much lower than expected, so the intentions of CFOs in this area may point to a change, which would be welcome news.

Medium size businesses are slightly more bullish about CAPEX intentions

Responses show differences in the intentions between CFOs according to the size of their business. Intentions to increase capital expenditure are greater among smaller companies than large ones, even if by a small amount. Medium-size businesses stand out as the boldest, with a net balance +30% of CFOs planning to increase capital expenditure whereas this number for larger businesses is +25%. The focus that SMEs are putting on investment is perhaps natural, given the need to remain competitive in the face of challenges such as globalisation, digitisation and an aging population

Companies in the euro area on the lookout for talent

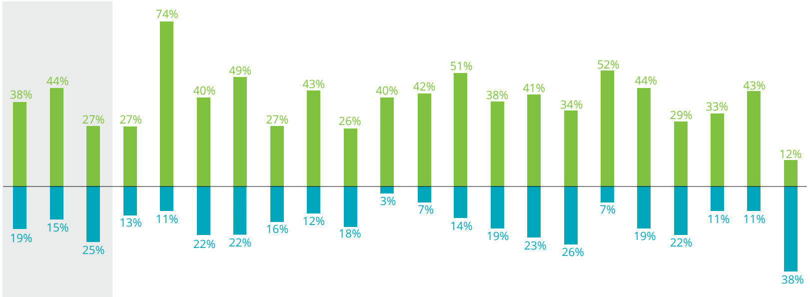
As with other indicators of sentiment, the outlook on employment among European CFOs improved this quarter, with 38% of CFOs expecting employee numbers to increase over the next 12 months – the highest level since the beginning of the series. At the same time the proportion of CFOs expecting to reduce employee numbers fell to +19% – again the lowest value in the series so far.

When comparing responses of CFOs from countries inside and outside the euro area, a similar pattern emerges to what we have already observed across other metrics – the outlook is more positive in euro area countries. The difference is substantial: for euro area countries the net balance is +29% while for countries outside the euro area it is +2%. The UK is the main reason for this difference.

Number of employees (%)

In your view, how is the number of employees for your company likely to change over the next 12 months?*

GDP-weighted average net balance 19%



GDP	€-area	Non-€	AT	BE	CH	DE	DK	ES	FI	FR	GR	IE	IT	NL	NO	PL	PT	RU	SE	TR	UK	
19%	29%	2%	13%	63%	18%	27%	11%	31%	9%	38%	35%	37%	19%	18%	8%	45%	25%	7%	22%	32%	-26%	Net balance
+8	+10	+4	-4	+12	+1	+9	-2	+1	+9	+15	+18	-25	+17	+18	+1	+6	+8	-3	+4	+31	+2	Absolute changes to Q1 2017 (pp)

Increase Decrease

*Note: In the UK CFOs were asked "How is the outlook for hiring for UK corporates likely to change over the next 12 months?"
In Finland the question specified a six-month period.

Source: Deloitte publication "The Deloitte CFO survey Q3 2017: CFOs switch focus to longer term"

Employment expectations are higher where unemployment is high

Changes in net balances between Q1 2017 and Q3 2017 follow the same pattern (euro area +10pp and non-euro area +4pp). Although Turkey shows the biggest improvement in net balance (+ 31pp), changes in the views of CFOs in other countries outside the euro area are more modest, probably because unemployment rates are already low. The situation is different among euro area countries, where the labour market is not as tight and CFOs have an option to expand their payroll. Indeed, the biggest improvement in the outlook for employment can be seen in Greece (+18pp), Italy (+17pp) and France (+15pp), where the unemployment rate is still high. That said, the net balance also increased markedly in Germany (+9pp), despite the unemployment rate being at its lowest level in three decades.

CFOs in manufacturing and in small businesses expect the biggest increase in hiring

The positive outlook for hiring is strongest amongst CFOs in the manufacturing industry. Financial services is the only sector where a reduction in staff numbers is expected. Expectations about hiring staff over the next 12 months are much greater among SMEs than among large companies. While a net balance of +27% of CFOs in small businesses and +21% in medium-size enterprises plan to increase the number of employees, the net balance in large companies is just +10%. These hiring intentions of CFOs suggest that there is tough competition among SMEs to attract the best talent.

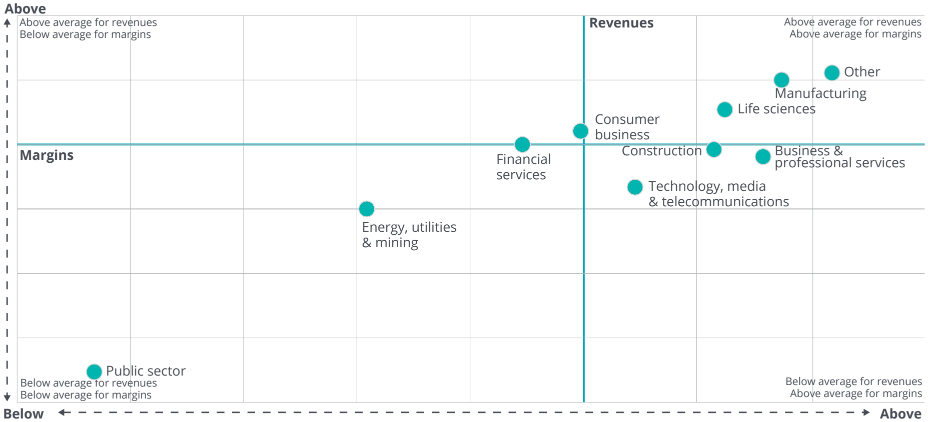
Expectations for revenues and margins vary across industries

There are differences in CFOs' expectations for revenues and profit margins according to industry. CFOs in manufacturing have the most optimistic expectations about revenues. The first half of 2017 has seen sustained manufacturing activity and the global manufacturing purchasing managers' index suggests this is set to continue in the second half of the year. The fact that expectations about profit margins are above the overall average is an indication of the high levels of efficiency that are being reached in manufacturing, putting downward pressure on costs.

Revenues and margins by industry (%)

In your view, how are revenues/margins for your company likely to change over the next 12 months?

GDP-weighted average net balance for revenues 59%
GDP-weighted average net balance for operating margins 24%



Source: Deloitte publication "The Deloitte CFO survey Q3 2017: CFOs switch focus to longer term"
Data has been standardised around the (weighted) average

In the TMT sector, revenue expectations are below average: CFOs do not expect demand to pick up, so their focus is on improving efficiency. Among CFOs representing companies within the energy and resources sector, the outlook of CFOs is gloomy, with no expectations of revenue increases, efficiency gains or improvements in profit margins.

In financial services, the expectations of CFOs are close to overall average for revenues, but slightly below for margins. Years of low interest rates have dented profit margins in the sector, and despite an expectation that rates will increase, this increase will not be big enough to affect expectations about margins.

Insights into the European Alternative Lending market

Alternative Lender '101' guide

Who are the Alternative Lenders and why are they becoming more relevant?

Alternative Lenders consist of a wide range of non-bank institutions with different strategies including private debt, mezzanine, opportunity and distressed debt.

These institutions range from larger asset managers diversifying into alternative debt to smaller funds newly set up by ex-investment professionals. Most of the funds have structures comparable to those seen in the private equity industry with a 3-5 year investment period and a 10 year life with extensions options. The limited partners in the debt funds are typically insurance, pension, private wealth, banks or sovereign wealth funds.

Over the last three years a significant number of new funds has been raised in Europe. Increased supply of Alternative Lender capital has helped to increase the flexibility and optionality for borrowers.

Key differences to bank lenders?

- Access to non amortising, bullet structures
- Ability to provide more structural flexibility (covenants, headroom, cash sweep, dividends, portability, etc.).
- Access to debt across the capital structure via senior, second lien, unitranche, mezzanine and quasi equity.
- Increased speed of execution, short credit processes and access to decision makers.
- Potentially larger hold sizes for leveraged loans (€30m up to €300m).
- Deal teams of funds will continue to monitor the asset over the life of the loan.

However

- Funds are not able to provide clearing facilities and ancillaries.
- Funds will target a higher yield for the increased flexibility provided.

Euro Private Placement '101' guide

Euro PP for mid-cap corporates at a glance

Since its inception in July 2012, the Euro Private Placement (Euro PP) volumes picked up significantly. After the amendment in the insurance legislation in July 2013, the majority of Euro PPs are currently unlisted. The introduction of a standardised documentation template by the Loan Market Association (LMA) in early 2015 is supportive of a Pan-European roll-out of this alternative source of financing.

Key characteristics of the credit investor base

- Mainly French insurers, pension funds and asset managers
- Buy and Hold strategy
- Target lending: European mid-cap size, international business exposure, good credit profile (net leverage max. 3.5x), usually sponsor-less

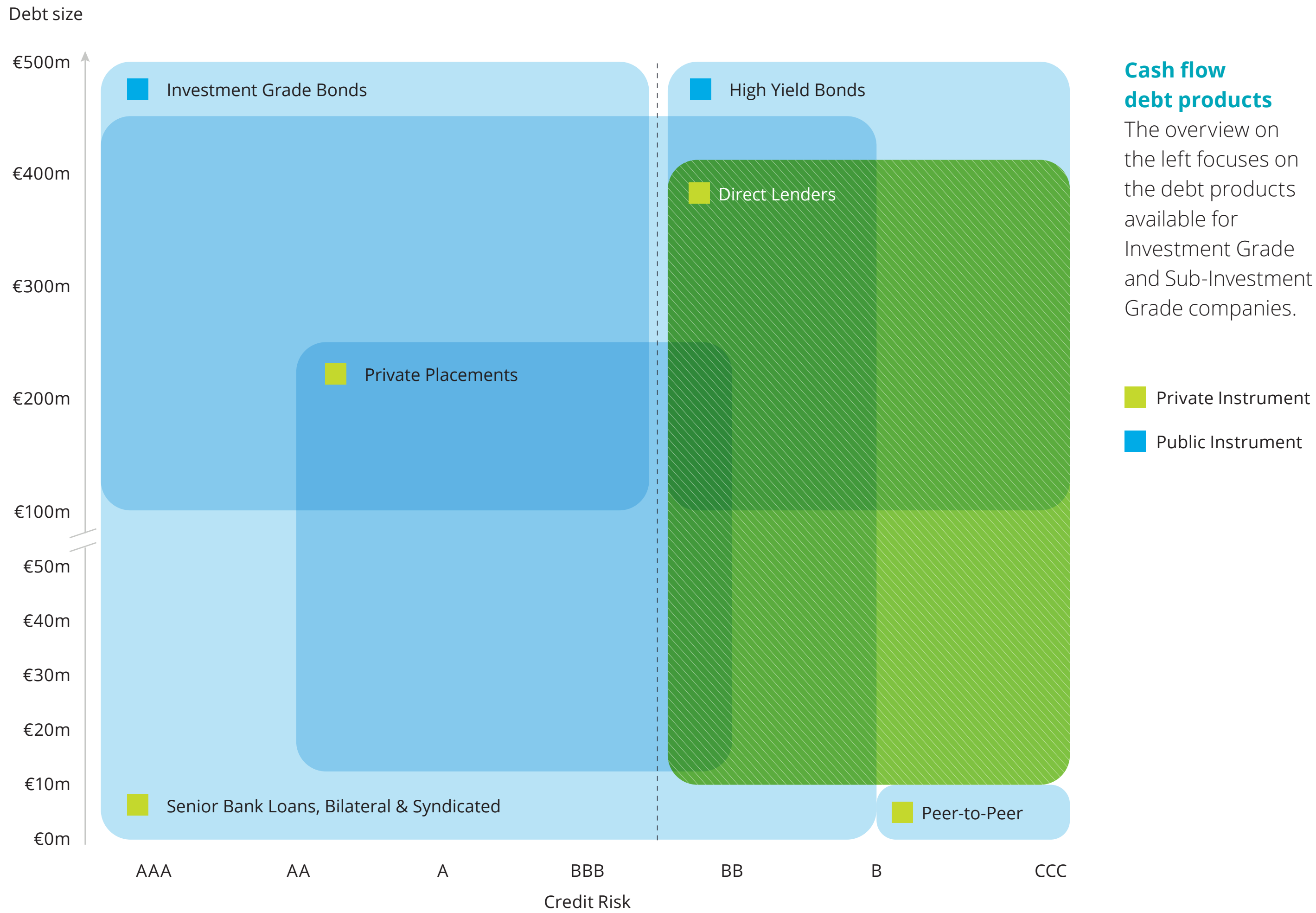
Main features of Euro PP

- Loan or bond (listed or non-listed) – If listed: technical listing, no trading and no bond liquidity
- Usually Senior, unsecured (possibility to include guarantees if banks are secured)
- No rating
- Minimum issue amount: €10m
- Pari passu with other banking facilities
- Fixed coupon on average between 3% and 4.5% – No upfront fees
- Maturity > 7 years
- Bullet repayment profile
- Limited number of lenders for each transaction and confidentiality (no financial disclosure)
- Local jurisdiction, local language
- Euro PPs take on average 8 weeks to issue

Pros and Cons of Euro PP

- ✓ Long maturity
- ✓ Bullet repayment (free-up cash flow)
- ✓ Diversification of sources of funding (bank disintermediation)
- ✓ Very limited number of lenders for each transaction
- ✓ Confidentiality (no public financial disclosure)
- ✓ Covenant flexibility and adapted to the business
- ✓ General corporate purpose
- ✗ Make-whole clause in case of early repayment
- ✗ Minimum amount €10m
- ✗ Minimum credit profile; leverage < 3.5x

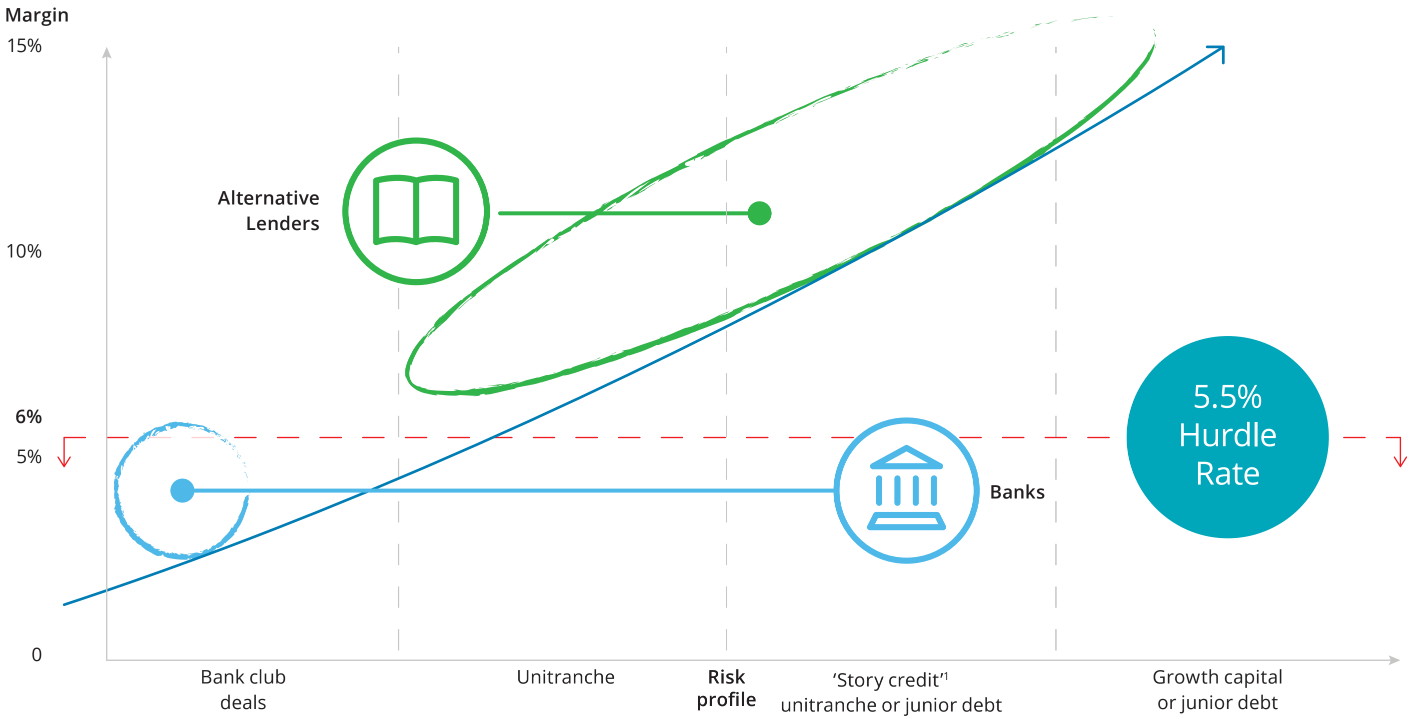
How do Direct Lenders compare to other cash flow debt products?



Cash flow debt products

The overview on the left focuses on the debt products available for Investment Grade and Sub-Investment Grade companies.

How do Alternative Lenders compete with bank lenders?



Leveraged loan banks operate in the 350bps to 600bps margin range providing senior debt structures to mainly companies owned by private equity.

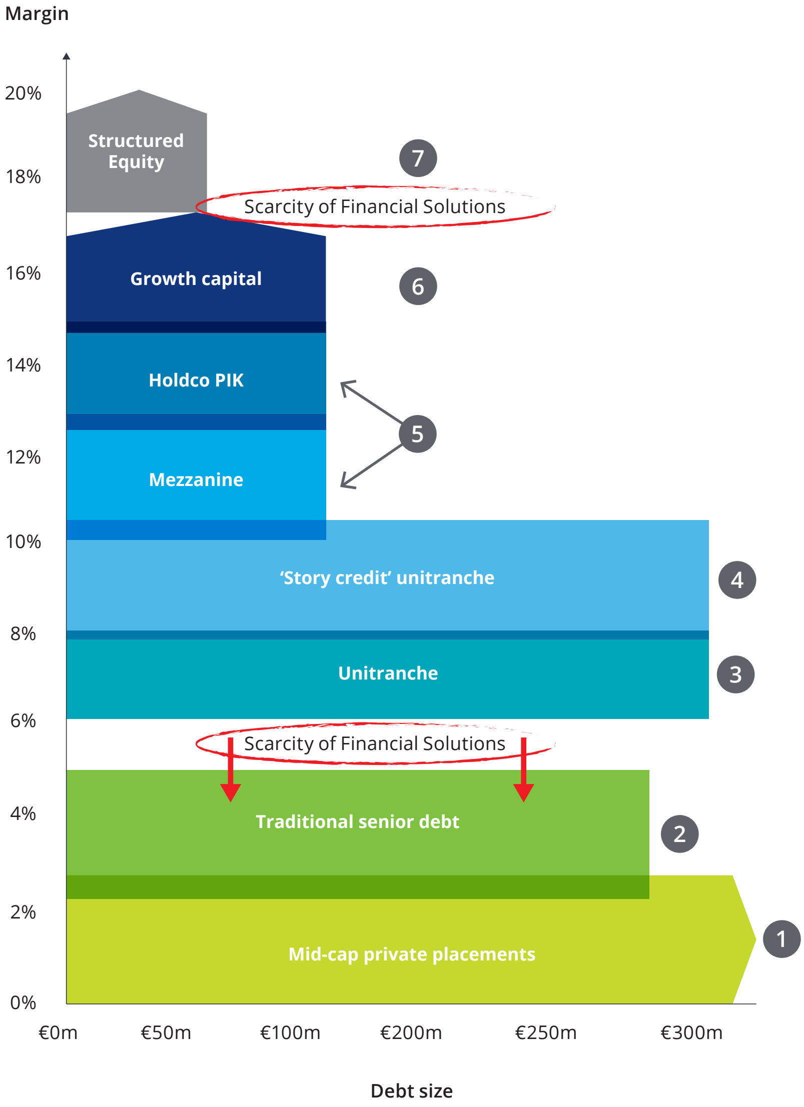
Majority of the Direct Lenders have hurdle rates which are above L+600bps margin and are mostly involved in the most popular strategy of 'plain vanilla' unitranche, which is the deepest part of the private debt market. However, direct lenders are increasingly raising senior risk strategies funds with lower hurdle rates.

Other Direct Lending funds focus on higher yielding private debt strategies, including: 'Story credit'[1] unitranche and subordinated debt or growth capital.

Similar to any other asset class the risk return curve has come down over the last 3 years as a result of improvements in the economy and excess liquidity in the system.

[1] 'Story Credit' – unitranche facility for a company that historically was subject to a financial restructuring or another financial difficulty and as a result there is a higher (real or perceived) risk associated with this investment.

What are the private debt strategies?



We have identified seven distinctive private debt strategies in the mid-market Direct Lending landscape:

1. Mid-cap Private Placements
2. Traditional senior debt
3. Unitranche
4. 'Story credit' unitranche
5. Subordinated (mezzanine/PIK)
6. Growth capital
7. Structured equity

There is a limited number of Alternative Lenders operating in the L+450bps to L+600bps pricing territory.

A number of large funds are now actively raising capital to target this part of the market.

Direct Lenders approach the mid-market with either a niche strategy (mainly new entrants) or a broad suite of Direct Lending products to cater for a range of financing needs.

The latter is mostly the approach of large asset managers.

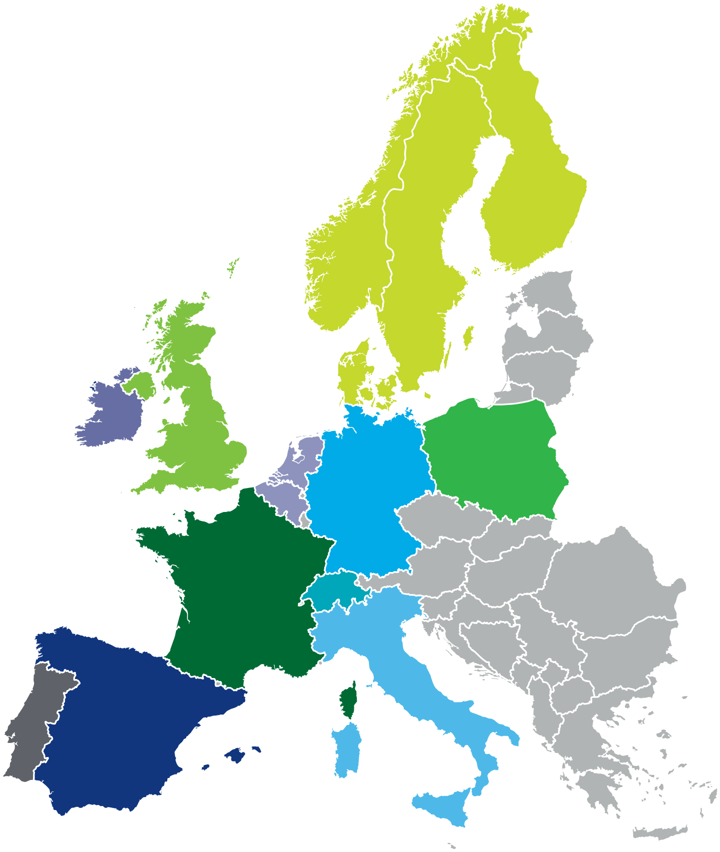
Note: Distressed strategies are excluded from this overview

How does the Direct Lending investment strategy compare to other strategies?

Fund strategy	Description	Target return (Gross IRR)	Investment period	Fund term	Management fee	Preferred return	Carried interest
Direct senior lending	Invest directly into corporate credit at senior levels of the capital structure	5-10%	1-3 years	5-7 years (plus 1-2 optional one year extensions)	Typically around 1% on invested capital	5-6%	10%
Specialty lending/credit opportunities	Opportunistic investments across the capital structure and/or in complex situations Typically focused on senior levels of the capital structure	12-20%	3-5 years	8-10 years (plus 2-3 optional one year extensions)	Typically 1.25 – 1.50% on invested capital or less than 1% on commitments	6-8%	15%-20%
Mezzanine	Primarily invest in mezzanine loans and other subordinated debt instruments	12-18%	5 years	10 years (plus 2-3 optional one year extensions)	1.50 – 1.75% on commitments during investment period, on a reduced basis on invested capital thereafter	8%	20%
Distressed	Invest in distressed, stressed and undervalued securities Includes distressed debt-for-control	15-25%	3-5 years	7-10 years (plus 2-3 optional one year extensions)	Various pending target return and strategy: 1.50 – 1.75% on commitments or 1.50% on invested capital	8%	20%

Management fee – an annual payment made by the limited partners in the fund to the fund's manager to cover the operational expenses.
Preferred return (also hurdle rate) – a minimum annual return that the limited partners are entitled to before the fund manager starts receiving carried interest.
Carried interest – a share of profits above the preferred return rate that the fund manager receives as compensation which is based on the performance of the investment.

Who are the Direct Lenders?



Note: offices included with at least one dedicated Direct Lending professional. The graph does not necessarily provide an overview of the geographical coverage.

United Kingdom

Alcentra, Ardian, Ares, Bain Capital, Barings, Beechbrook Capital, BlackRock, BlueBay, Citi, Cordet, Crescent, CVC, EQT, ESO, Grovepoint, GSO Capital Partners, Guggenheim, KKR, Harbert Management Corporation, Hayfin, Hermes, HIG Whitehorse, ICG, Kartesia, IGI Capital Partners, M&G Investments, Macquarie, Magnetar Capital, Muzinich & Co, MV Credit, Njord Partners, Northleaf, Partners Group, Pemberton Capital, Permira, Pricoa Capital Group, Praesidian capital, Rothschild, THCP, Tikehau Capital, TDC, Tosca Debt Capital, TPG, terra firma

Germany

Ardian, Ares, BlackRock, EQT, Hayfin, HIG Whitehorse, idinvest Partners, ICG, Kartesia, Pemberton Capital, Permira, Pricoa Capital Group

Poland

Credit Value Investments

Spain

Alantra, HIG Whitehorse, ICG, Incus Capital, idinvest Partners, Kartesia, KKR, Hayfin, Magnetar Capital, Pemberton Capital, Muzinich & Co, Trea Capital Partners, oquendo Capital

Nordics

Capital Four, Ares, Cordet, Proventus

Italy

Emisys capital, HIG Whitehorse, Incus Capital, Muzinich & Co, Pemberton Capital, Quadrivio, Pricoa Capital Group, Tikehau Capital

Benelux

Cordet, delta lloyd, Dutch Mezzanine Fund, Hayfin, HIG Whitehorse, ICG, Kartesia, XC Mezzanine Partners, PMV, THCP, Tikehau Capital

Ireland

Activate Capital, BlueBay, Bain Capital, Cardinal Capital Group, Earlsfort Capital, National Treasury Management Agency

Portugal

Incus Capital

Switzerland

Credit Suisse, ESO, Partners Group, tavis capital

France

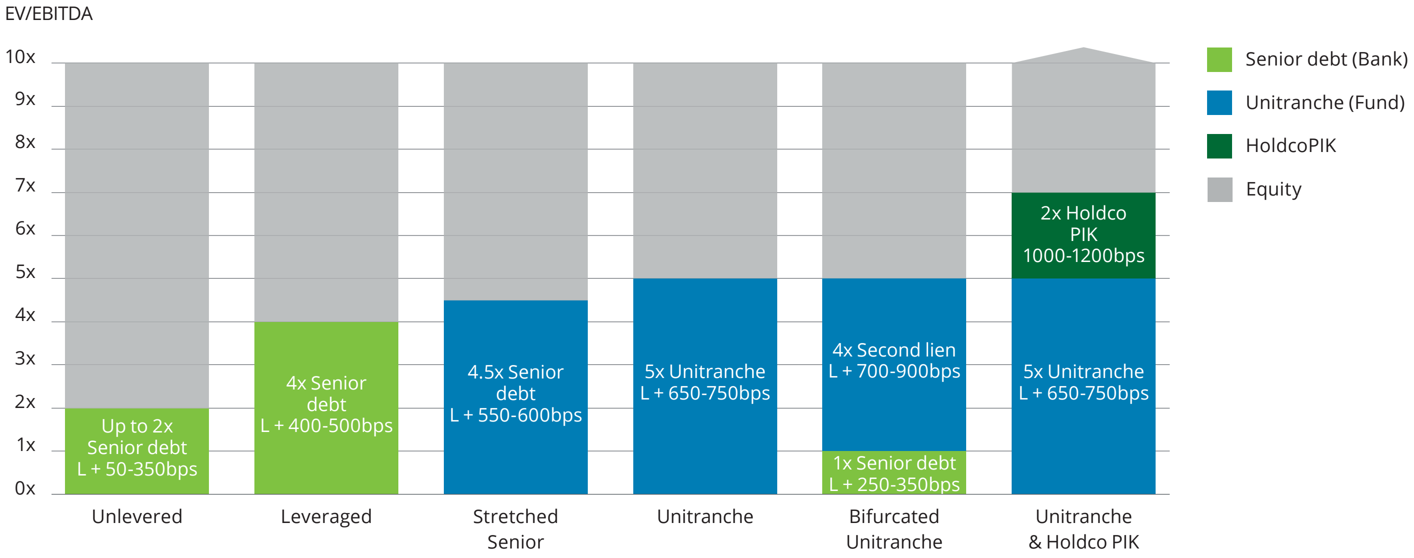
Ardian, Ares, BlackRock, bpifrance, Cerea Partenaire, Capzanine, emz, GSO Capital Partners, Hayfin, HIG Whitehorse, ICG, idinvest Partners, Incus Capital, Indigo Capital, Kartesia, IGI Capital Partners, Muzinich & Co, Partners Group, KKR, Tikehau Capital, Pemberton Capital, Permira, Pricoa Capital Group, Rothschild

Especially focused on Euro PP

Amundi, Artemid, La Banque Postale Asset Management, Cerea Partenaire, La Banque Postale, idinvest Partners, Tikehau Capital

What debt structures are available in the market?

Structures



Weighted Average Cost of Debt (WACD) – based on mid-point average range

L + 50-350bps	L + 450bps	L + 575bps	L + 700bps	L + 700bps	L + 815bps

Note: the structures and pricing presented are indicative and only for illustrative purposes

Pros and Cons per structure

✓ Lowest pricing ✓ Relationship bank • Low leverage • Shorter tenor (3-5 years)	✓ Increased leverage ✓ Club of relationship banks • More restrictive terms • Partly amortising	✓ Increased leverage ✓ Bullet debt ✓ Lower Equity contribution • More restrictive terms than Unitranche • Higher pricing than bank debt • Need for RCF lender	✓ Stretched leverage ✓ Flexible covenants ✓ One-stop shop solution ✓ Speed of execution ✓ Relationship lender • Higher pricing	✓ Stretched leverage ✓ Flexible covenants ✓ Greater role for bank ✓ Reach more liquid part of the unitranche market • Higher pricing • Intercreditor/AAL	✓ Stretched leverage ✓ Flexible covenants ✓ Lower equity contribution ✓ No Intercreditor • Higher pricing

More sponsor-less companies are turning to Direct Lenders to finance growth

Background

- Traditionally private companies without access to further shareholder funding lacked the ability to make transformational acquisitions
- Bank lenders are typically not able to fund junior debt/quasi equity risk and would require a sizable equity contribution from the shareholders to fund acquisitions
- Cost savings, revenues synergies and ability to purchase bolt on acquisitions at lower EBITDA multiples makes a buy and build strategy highly accretive for shareholder's equity.

Opportunity

- Alternative Lenders are actively looking to form longer term partnerships with performing private companies to fund expansion
- Recent market transactions have been structured on Debt/EBITDA multiples as high as 4.5-5.0x including identifiable hard synergies. Typically, this is subject to c.30–40% implied equity in the structure, based on conservative enterprise valuations
- A number of Alternative Lenders are able to fund across the capital structure from senior debt through minority equity.

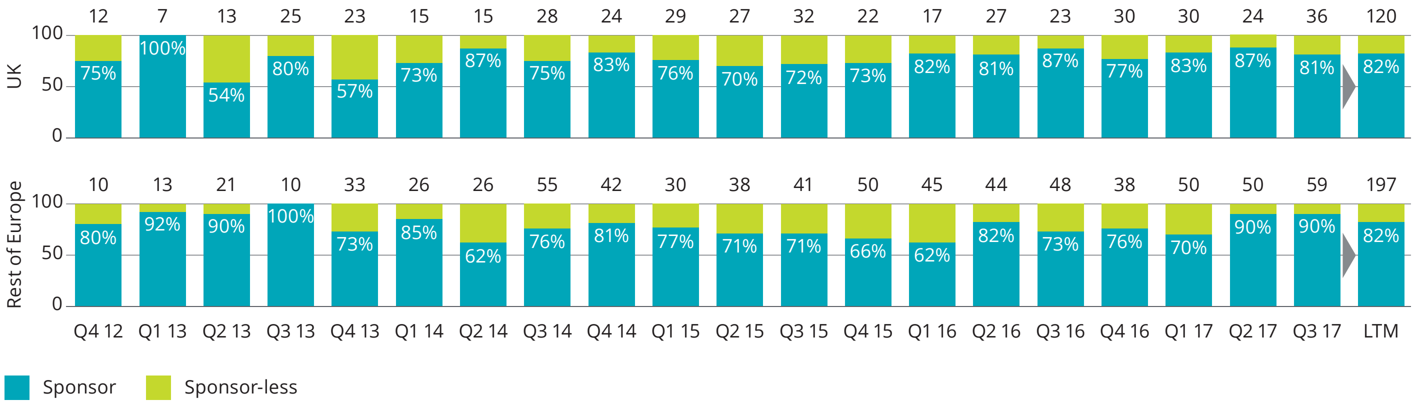
Key advantages

Key advantages of using Alternative Lenders to fund a buy and build strategy may include:

- Accelerate the growth of the company and exponentially grow the shareholder value in a shorter time period.
- No separate equity raising required as Alternative Lenders can act as a one stop solution providing debt and minority equity.
- Significant capital that Alternative Lenders can lend to a single company (€150-300m) making Alternative Lenders ideal for long term partnership relationships and follow on capital for multiple acquisitions.

Sponsor backed versus private Direct Lending deals

As % of total deals per quarter



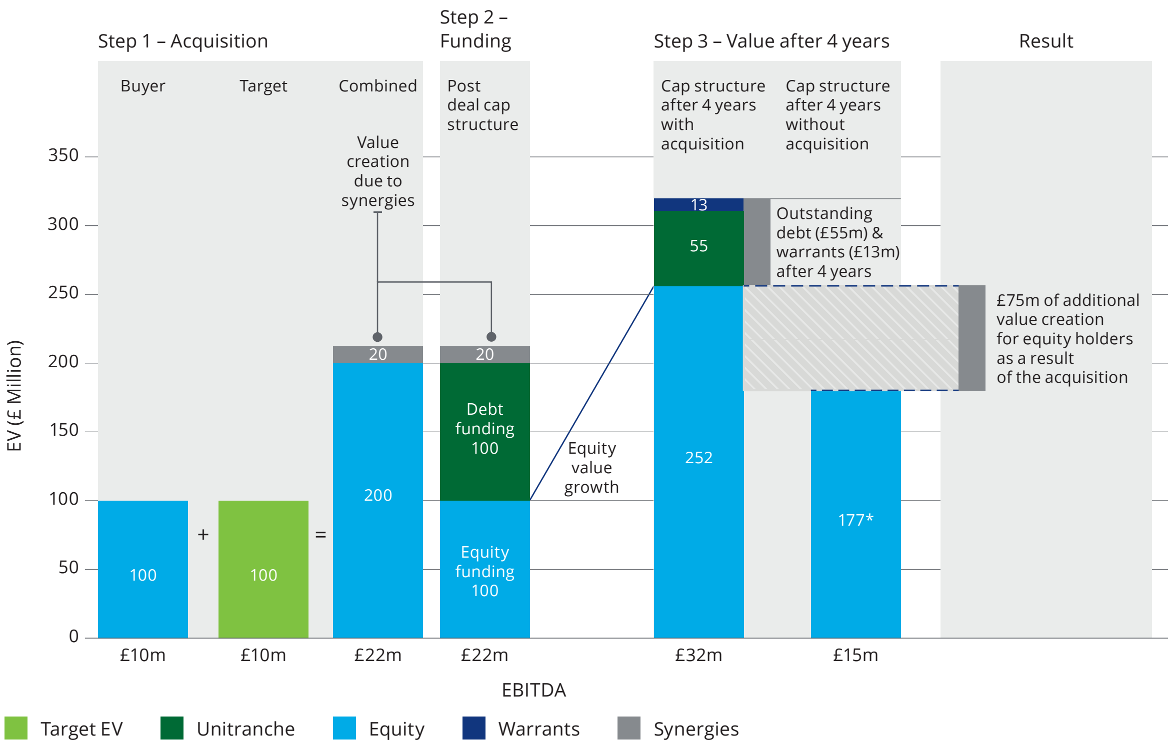
Unlocking transformational acquisitions for privately owned companies

Indicative calculations

- The calculations on this page illustrate the theoretical effect of value creation through acquisitions financed using Alternative Lenders.
- In this example equity value grows from £100m to £252m in 4 years time. Without the acquisition, the equity value would have been only £177m, using the same assumptions and disregarding any value creation as a result of multiple arbitrage.

Value creation through M&A

Indicative calculations



*EV is c.£147m and with c.£30m cash on balance sheet brings the equity value to c.£177m.

Assumptions

- Both business generate £10m EBITDA with £2m potential synergies
- No debt currently in the business
- Cost of debt is 8% with 5% penny warrants on top
- 10% EBITDA growth pa; 75% Cash conversion; 20% Corporate tax rate
- No transaction costs

Deloitte Debt and Capital Advisory

What do we do for our clients?

Debt and Capital Advisory

Independent advice

- We provide independent advice to borrowers across the full spectrum of debt markets through our global network.
- Completely independent from providers of finance – our objectives are fully aligned with those of our clients.

Global resources & execution expertise

- A leading team of 200 debt professionals based in 30 countries including Europe, North America, Africa and Asia, giving true global reach.
- Our expertise ranges from the provision of strategic advice on the optimum capital structure and available sources of finance through to the execution of raising debt.

Market leading team

- Widely recognised as a Global leader with one of the largest Debt Advisory teams.
- We pride ourselves on our innovative approach to challenging transactions and the quality of client outcomes we achieve, using our hands on approach.

Demonstrable track record

- In the last 12 months, we have advised on over 100 transactions with combined debt facilities in excess of €10bn.
- Our target market is debt transactions ranging from €25m up to €750m.

Debt and Capital Services provided

Refinancing

- Maturing debt facilities
- Rapid growth and expansion
- Accessing new debt markets
- Recapitalisations facilitating payments to shareholders
- Asset based finance to release value from balance sheet
- Off balance sheet finance
- Assessing multiple proposals from lenders

Acquisitions, disposals, mergers

- Strategic acquisitions, involving new lenders and greater complexity
- Staple debt packages to maximise sale proceeds
- Additional finance required as a result of a change in strategic objectives
- FX impacts that need to be reflected in the covenant definitions
- Foreign currency denominated debt or operations in multiple currencies

Restructuring or negotiating

- New money requirement
- Real or potential breach of covenants
- Short term liquidity pressure
- Credit rating downgrade
- Existing lenders transfer debt to an Alternative Lender group
- Derivatives in place and/or banks hedging requirements to be met

Treasury

- Operations in multiple jurisdictions and currencies creating FX exposures
- Develop FX, interest rate and commodity risk management strategies
- Cash in multiple companies, accounts, countries and currencies
- Hedging implementation or banks hedging requirements to be met

Depth and breadth of expertise in a variety of situations

How complex is your credit?

Sector

Growth	Volatile	Stable
Cyclicality	High	Low
Seasonality	High	Low
Scarcity of product	Commodity	High value-add
Changing regulatory environment	High	Low

Market position & Clients

Low	High	Market share
Many	Few	Competitors
Few	Many	Barriers to entry
High	Low	Customer concentration
High	Low	Supplier concentration

Management quality	Low	High
Corporate Governance	Weak	Strong
Shareholder commitment	Low	High
Jurisdiction	Difficult	Easy

Management, Shareholders & Jurisdiction

Volatile	Stable	Stable performance
Low	High	Cash generation
High	Low	Leverage
Low	High	Asset coverage

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Deloitte Debt and Capital Advisory credentials

Selected Global transactions

Cogital Refinancing Nov 2017 NOK1400m UK	**Atcore** Staple Nov 2017 Undisclosed UK	**Citation** Refinancing Nov 2017 Undisclosed UK	**Ullink** Staple Nov 2017 Undisclosed UK	**YSC Holdings** Staple Oct 2017 Undisclosed UK	**Iris** Refinancing Oct 2017 Undisclosed UK	**Micro Focus** Banking Continuity Services Oct 2017 Undisclosed UK	**Cara Pharmacy** Refinance & Debt Raise Sep 2017 €16.2m Ireland
Noden Pharma Debt Advisory Sep 2017 Undisclosed Ireland	**Monarch Plastics** Refinancing Sep 2017 Undisclosed Canada	**Manitoba Clinic** Refinancing Sep 2017 Undisclosed Canada	**Arena Plaza** Refinancing Sep 2017 €300m UK	**Kisimul** Acquisition Finance Sep 2017 Undisclosed UK	**LDC** Acquisition Finance Sep 2017 Undisclosed UK	**FFUN Motor Group** Refinancing Aug 2017 C$100m Canada	**Sovos Compliance** Refinancing Sep 2017 Undisclosed UK
Lendified Debt Financing Aug 2017 C$60m Canada	**Stiga** Refinancing Aug 2017 €260m UK	**ISP** Refinancing Aug 2017 Undisclosed UK	**Arachas** Acquisition Finance Aug 2017 Undisclosed UK	**BluJay** Refinancing Aug 2017 Undisclosed UK	**FundInfo** Refinancing Aug 2017 Undisclosed UK	**Esendex** Acquisition Finance Aug 2017 Undisclosed UK	**Aston Scott** Acquisition Financing Jul 2017 Undisclosed UK
DFS Refinancing Jul 2017 £230m UK	**Forterra** Refinancing Jul 2017 £150m UK	**Air Greenland** Dividend Recap Jul 2017 Undisclosed Denmark	**Institutos Odontologics** Growth Financing Jul 2017 €50m Spain	**Acome** Amend & Extend Jul 2017 €60m France	**Biotelemetry, Inc.** Acquisition Financing Jul 2017 $255m US	**Sports & Leisure Group** Staple Financing Jun 2017 Undisclosed Belgium	**Labflex** Acquisition Finance Jun 2017 €15m Denmark
Stage Entertainment Refinancing Jun 2017 Undisclosed Netherlands	**Keyland** Refinancing Jun 2017 Undisclosed Netherlands	**McBride Plc** Refinancing Jun 2017 €175m UK	**Information Builders, Inc** Refinancing May 2017 Undisclosed US	**Project Atlanta** Growth Financing Project Alanta May 2017 $20m Chile	**FMTG** Financing May 2017 Undisclosed AT	**Information Builders, Inc** Refinancing May 2017 $625m US	**CFC Capital Limited** Staple Apr 2017 Undisclosed UK
Ullink Refinancing Apr 2017 Undisclosed UK	**A-Plan** Refinancing Apr 2017 Undisclosed UK	**HgCapital** Acquisition Financing Apr 2017 $315m US	**Marfo** Acquisition Financing Mar 2017 Undisclosed Netherlands	**Foreman Capital/ Standard Investment** Acquisition Financing Mar 2017 Undisclosed Denmark	**Monjasa A/S** Refinancing Mar 2017 $67.5m Denmark	**Habcock Aviation Group** Build up Financing Mar 2017 €25m Spain	**EUROFIMA** Financial Advisor Mar 2017 Undisclosed Switzerland

Selected Global transactions

Koncenton Mortgage Finance Mar 2017 €25m Denmark	**CVL** Staple Feb 2017 Undisclosed UK	**Euromoney Plc** Acquisition Finance Feb 2017 $201m + £162m UK	**BCA** Refinancing Feb 2017 £500m UK	**Sovereign Capital** Debt Advisory Feb 2017 €26m Ireland	**Koncenton** Mortgage Finance Feb 2017 €50m Denmark	**ATP** Recapitalisation Jan 2017 Undisclosed Denmark	**Acta Marine** Capex Financing Jan 2017 Undisclosed Netherlands

TUHF Limited Pvte Placement Board Jan 2017 ZAR280m South Africa	**Transport Vervaeke** Acquisition Finance Jan 2017 Undisclosed Belgium	**Zenith** Staple Jan 2017 £24.5m UK	**Intelliflo** Refinancing Jan 2017 Undisclosed UK	**Champ Ventures** Growth Financing Jan 2017 £20m UK	**FL Partners** Acquisition Finance Jan 2017 £15m UK	**LionHorn Pte Ltd** Acquisition Finance Dec 2016 Undisclosed Singapore/Malaysia	**Northern Irish Home Builder** Debt Raising Undisclosed Dec 2016 €6m Ireland

Oceanwide Refinancing Dec 2016 Undisclosed Netherlands	**Royal Boom** Refinancing Dec 2016 Undisclosed Netherlands	**Project Roma** Refinancing Project Roma Dec 2016 Undisclosed US	**Project Homeland II** Growth Financing Project Homeland II Dec 2016 Undisclosed US	**Project Grey** Refinancing Project Grey Dec 2016 Undisclosed US	**WinSystems Limited** Acquisition Finance Dec 2016 Undisclosed US/UK	**Philips Lighting** FX Exposure Advisory Nov 2016 Undisclosed UK	**Staples** Treasury Function Setup Nov 2016 Undisclosed UK

Every Angle EIB Financing Nov 2016 €7.5m Netherlands	**Refresh Financial** Debt Financing Nov 2016 $75m Canada	**University College Zealand** Refinancing Nov 2016 €32m Denmark	**Real Estate** Debt Raising Debt Raising Nov 2017 €6.3m Ireland	**Koncenton** Acquisition Finance Nov 2016 €60m Denmark	**Hotel Industry** Debt Raising Hotel Industry Nov 2016 €39.2m Ireland	**Naviair** Recapitalisation Nov 2016 €15m Denmark	**Pension Fund** Recapitalisation Pension Fund Nov 2016 €80m Denmark

Global Garden Products Refinancing Nov 2016 €80m UK	**Chase Templeton** Acquisition Finance Nov 2016 Undisclosed UK	**Cogital Group** Acquisition Finance Oct 2016 NOK3675m UK	**Five Arrows** Dividend Recap Oct 2016 €115m UK	**Bridgepoint** Acquisition Finance Oct 2016 Undisclosed UK	**Koole** Refinancing Assistance Oct 2016 Undisclosed Netherlands	**CTR A/S** Construction Finance Oct 2016 €400m Denmark	**Bain Capital Credit** Debt Advisory Sep 2016 Undisclosed Ireland

Fund Manager Debt Raising Fund Manager Sep 2016 €7.6m Ireland	**Renewi Plc** Acquisition Finance Sep 2016 €600m UK	**P&I** Staple Financing Sep 2016 Undisclosed UK	**Ullink** Refinancing Aug 2016 Undisclosed UK	**Trace One** Acquisition Finance Aug 2016 Undisclosed UK	**Bog'Art** Additional Financing Aug 2016 €10m Romania	**Property Developer** Capital Raise Irish property developer/ Hotelier Aug 2016 €87m Ireland	**District M. Inc** Refinancing Aug 2016 c€30m Canada

Notes

Important Notice in relation to page 14-15

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