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**Direct Lenders: seizing
opportunity in an uncertain world**

Deloitte Alternative Lender Tracker Autumn 2018

Financial Advisory ●

This issue covers data for the second quarter of 2018 and includes 102 Alternative Lender deals for the quarter, representing an increase of 34% in deal flow on a last 12 months basis in comparison with the previous year.

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Deloitte Alternative Lender Deal Tracker Introduction

In this twentieth edition of the Deloitte Alternative Lender Deal Tracker, we report that in the 12 months to the end of the second quarter 2018, there was a solid 34% increase in Alternative Lending deals compared to the previous year. Lending in the quarter alone is up 31% to 102 deals compared to the same period in 2017. Our report covers 66 major Alternative Lenders with whom Deloitte is tracking deals across Europe.

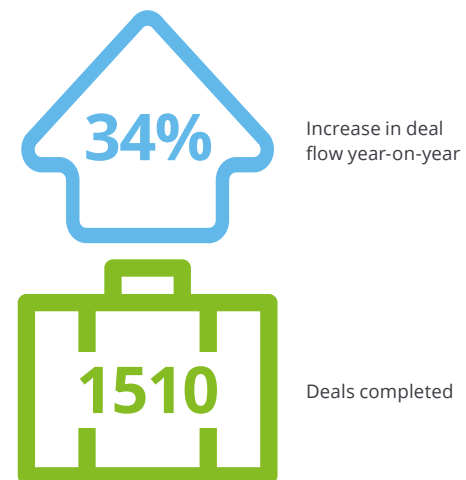
The uncertainty caused by political events in preceding quarters had a minimal effect on Direct Lending in the second quarter of 2018. Given that Direct Lenders continue to increase their market share and deploy record levels of capital, we expect continued growth in volume for the remainder of 2018. Direct Lending fundraising is however lumpy in nature; and as a result European fundraising was down 54% to \$8.5bn by the third quarter of 2018, compared to \$18.7bn in the same period last year. These fundraising levels are however in contrast with the US, where fundraising doubled to \$26bn compared with \$13bn in the same period last year.

There was no sign of a summer slowdown in geopolitics, with protracted Brexit talks continuing with the expectation that a deal could be struck, but at the same time both sides ramping up no deal contingency preparations. Either way, the clock is ticking as we move rapidly toward the March 2019 deadline. On a related note, Mark Carney,

governor of the Bank of England (BoE), said that the BoE performed a “stress-test” to check the financial system can withstand an extreme shock following a no deal Brexit. All major banks passed although the tests revealed a fall in house prices of 35% over three years, a fall in sterling and a rise in interest rates, inflation and unemployment, could occur under the modelled worse-case scenario. In the context that the BoE’s Monetary Policy Committee voted unanimously to keep interest rates constant at 0.75%, citing concern regarding “greater uncertainty” around the Brexit negotiations, the governor also warned that in the worst case scenario of a no deal, the BoE would not be able to support the economy by cutting interest rates as it did after the 2016 Brexit referendum.

Things were no quieter across the pond, with the US announcing a new 10% tariff on \$200bn of Chinese imports and threatening to increase this to 25% next year if no trade

deal is reached. President Trump has concentrated on China as he attempts to rebalance US trade relations, in hope of drawing China into negotiations to reduce America’s \$375.6 bn trade deficit. In retaliation China announced it would apply a tariff of up to 10% on an additional \$60bn of imports from the US.



In contrast to the UK, the US increased short term interest rates for a third time this year. On the 5th October, the yield on the benchmark 10 year US treasury reached 3.2%, its highest level since 2011, and up a notable 83 basis points so far in 2018. Whilst this increased pressure on others to follow suit, the immediate reaction was one which affected the value of Emerging Market (EM) assets first, which investors fled from during the course of the summer. For context, the result was that EM equities officially entered a bear market, marking a 20% decline from their peak in January. More recent moves seem to suggest a level of contagion with other EM currencies and assets also affected. Worst hit were Argentina, Venezuela and Turkey, but a number of other EM currencies also descended to multiyear lows, with the Russian rouble and South African rand sliding to their lowest levels since 2016.

Turning to the loan markets, it is now officially 10 years since Lehman Brothers collapsed in mid-September 2008 triggering the financial crisis. Since then, the credit market has edged ever higher, but a question mark remains over whether we have reached the peak. Whilst last year pundits were openly wondering what might trigger a crisis, this year we have begun to witness some of some of the ingredients that might prompt a liquidity crunch, starting with the events witnessed in emerging markets.

According to LCD, the value of US leveraged loans outstanding as at the end of August 2018 has doubled since December 2007 to \$1.1tn in aggregate. Credit quality has decreased, with 51% of issuers rated BB at the same point in time vs. 29% today. Furthermore, 79% of deals today are covenant lite, in stark contrast to the 17% in 2007. That said, it is not all in favour of borrowers, as lenders are being more highly compensated for this risk, with weighted average yields more than 100 bps higher than that in 2007 (from L+250). Furthermore, whilst purchase price multiples rose to an all-time high of 10.6x in 2017 (vs. 9.7x before the crisis), sponsors are contributing more equity toward their acquisitions, at 46% of today's purchase price vs. 36% in 2007.

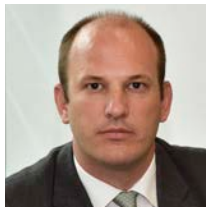
It is now officially 10 years since Lehman Brothers collapsed in mid-September 2008 triggering the financial crisis. Since then, the credit market has edged ever higher, but a question mark remains over whether we have reached the peak.

Whilst the proportion of equity in a deal may have increased, Europe has recently suffered from a lacklustre Private Equity fundraising environment which might ultimately result in a reduction in deal flow. According to Private Equity News, Q3 of 2018 marked the worst quarter in eight years for European fundraising, said to be fuelled by a sharp decline in investors' appetite for UK dedicated funds in light of Brexit.

In terms of overall numbers, buyout fundraising in Europe dropped a significant 68% to \$7.8bn across 33 funds in the third quarter, down from \$24.6 billion raised by 46 funds during the same period last year. On a year to date basis, fundraising declined 31% to \$46.6bn, down from \$67.7bn over the same period in 2017. Arguably, PE investors are waiting for better times, as it would be hard for 2018 vintage funds to outperform in the context of EV multiples in Europe, which according to LCD news reached historic highs of 11.1x in the YTD period to August 2018. With that in mind, it is not unsurprising that structured equity from amongst others Metric Capital and ESO is popular with end investors toward the back end of the cycle, as it provides a certain level of yield protection through the next cycle whilst retaining some of the upside traditionally reserved for pure play equity investors.

In addition, the relative risk/reward offered by Direct Lending against this backdrop continues to bolster its status as a standalone asset class. Whilst we have mentioned that fundraising in Europe in Q3 2018 was down on the prior period, a new size record has been set. Ares raised its fourth European Direct Lending fund in the quarter, which closed at an above-target hard cap of €6.5 billion. To put this into perspective, even excluding leverage (which results in over €10bn of capital available to deploy), this amounts to over 16x the size of the average European CLO (€400m) in one hit.

In the context of continued economic and geopolitical uncertainty, we expect the opportunity set to increase for alternative lenders, as banks are typically the first to hit the brakes when the economy is under pressure. Conversely, funds will relish this opportunity for higher adjusted returns and have the flexibility to adjust their current leveraged buy-out financing model in harder times to provide solutions to companies in need of refinancing.

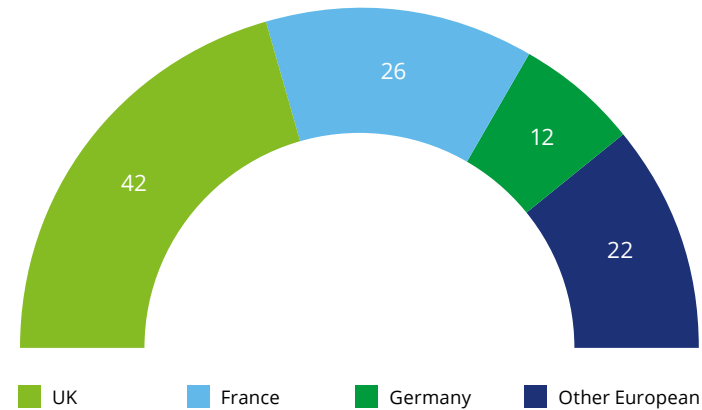


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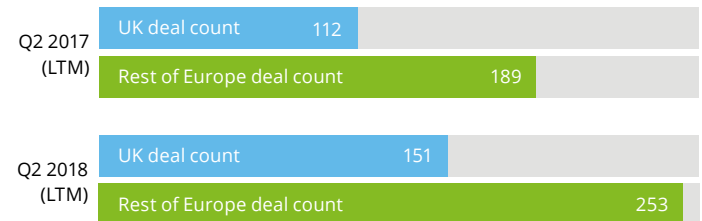


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Q2 2018 deals completed



Q2 headline figures (last 12 months)



Borrowers: Access Direct Lending to power growth

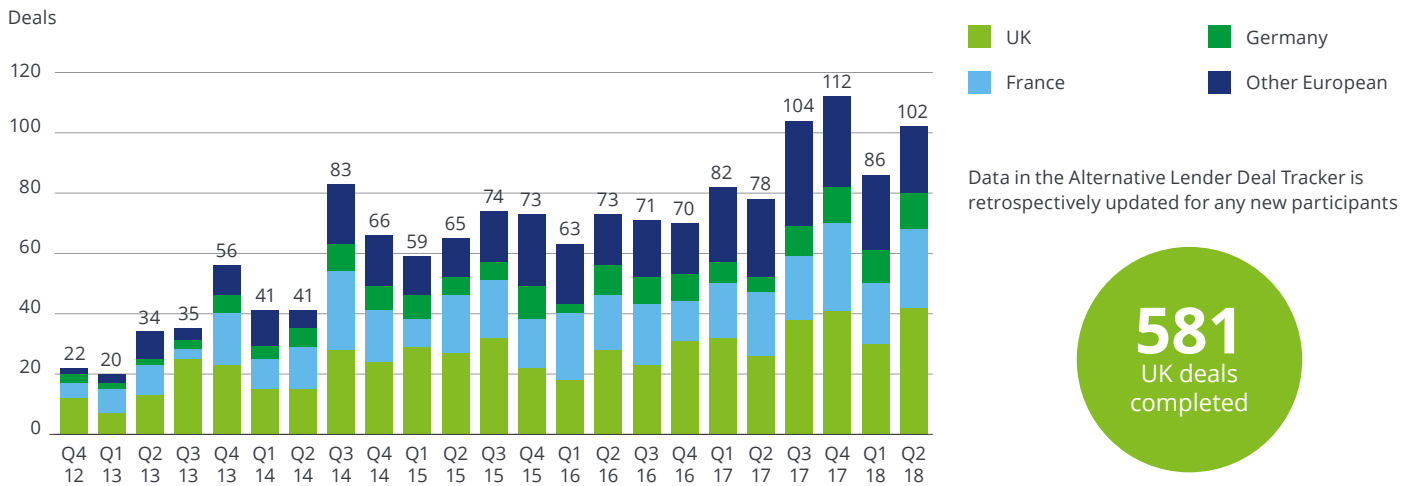
Businesses rely on access to growth capital, yet due to risk appetite and stringent regulation, banks are more constrained. Bringing in alternative and flexible capital allows companies to grow, yet the market can be overwhelming with numerous complex loan options offered to borrowers. Direct Lenders can offer effective rates with little or no equity dilution of your business, enabling businesses to make acquisitions, refinance bank lenders, consolidate the shareholder base, and grow activities. To read more, turn to our Direct Lending guide on page 27.

Alternative Lender Deal Tracker Q2 2018 Deals

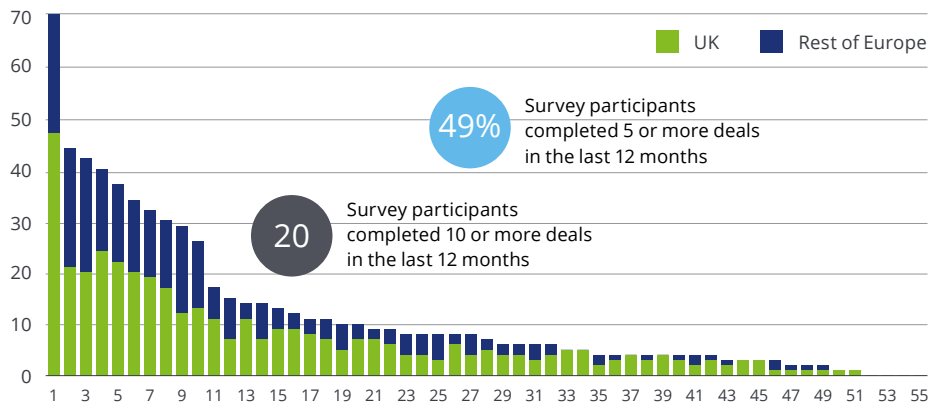
The Alternative Lender Deal Tracker now covers 66 lenders and a reported 1510 deals

Alternative Lender Deal Tracker

Currently covers 66 leading Alternative Lenders. Only UK and European deals are included in the survey.



Deals done by each survey participant (Last 12 months)



581
UK deals completed

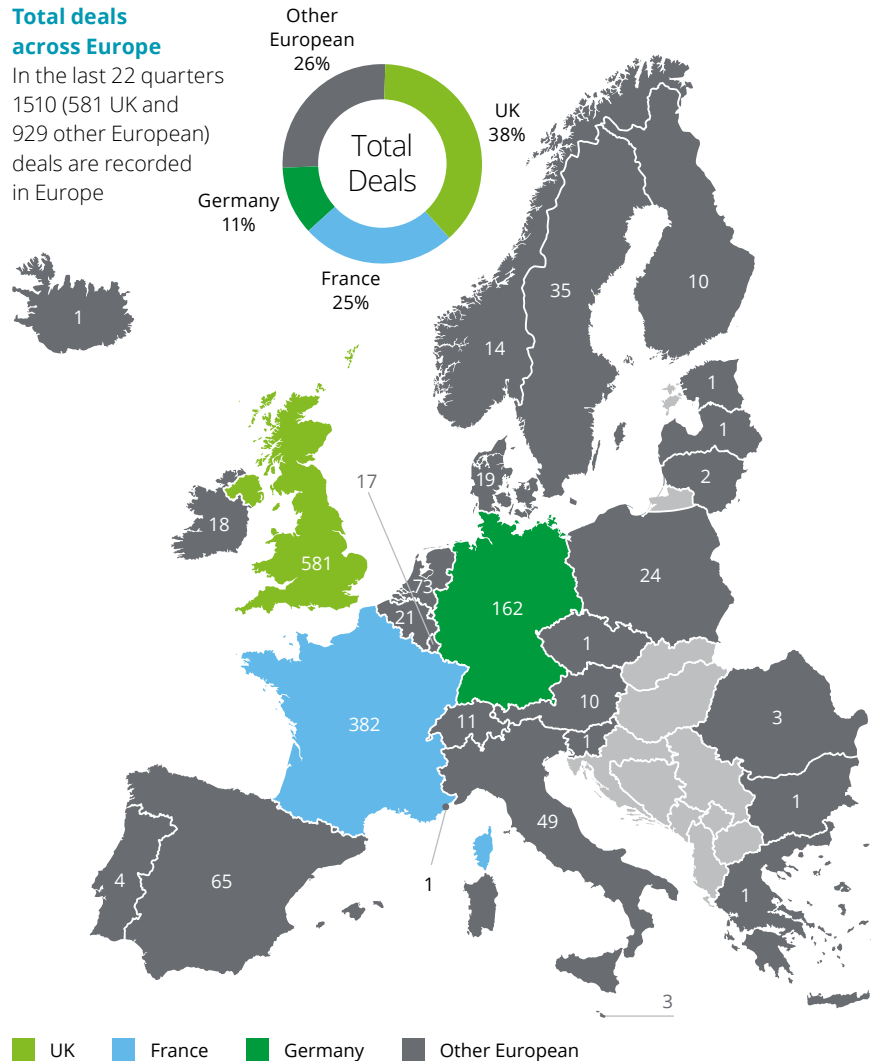
929
Euro deals completed

1510
Total deals completed

Direct Lenders increasingly diversifying geographies

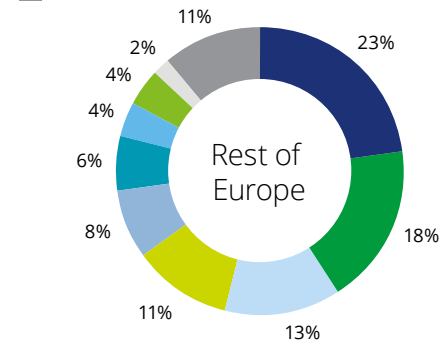
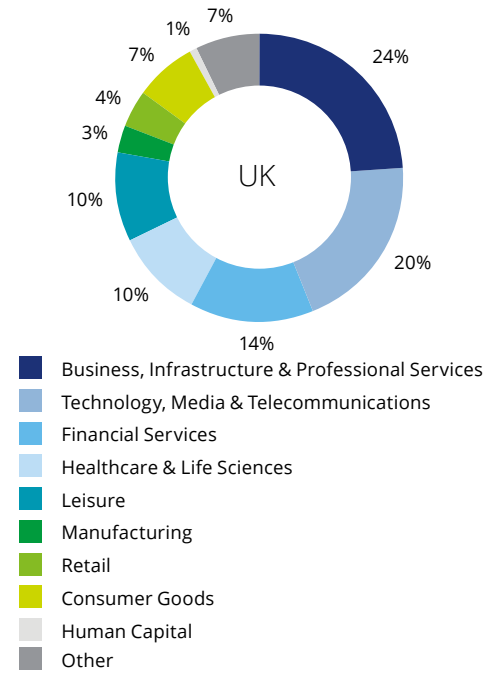
Total deals across Europe

In the last 22 quarters 1510 (581 UK and 929 other European) deals are recorded in 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 24% followed by TMT with 20%.

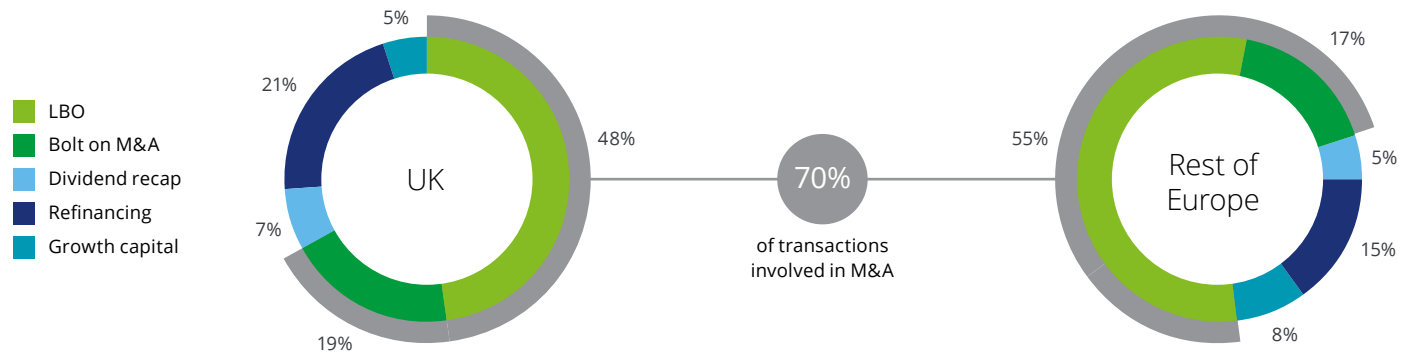


In the rest of Europe there are 5 main industries: Business, Infrastructure & Professional Services, Manufacturing, Healthcare & Life Sciences, Consumer Goods and TMT.

M&A activity still the key driver for Direct Lending deals

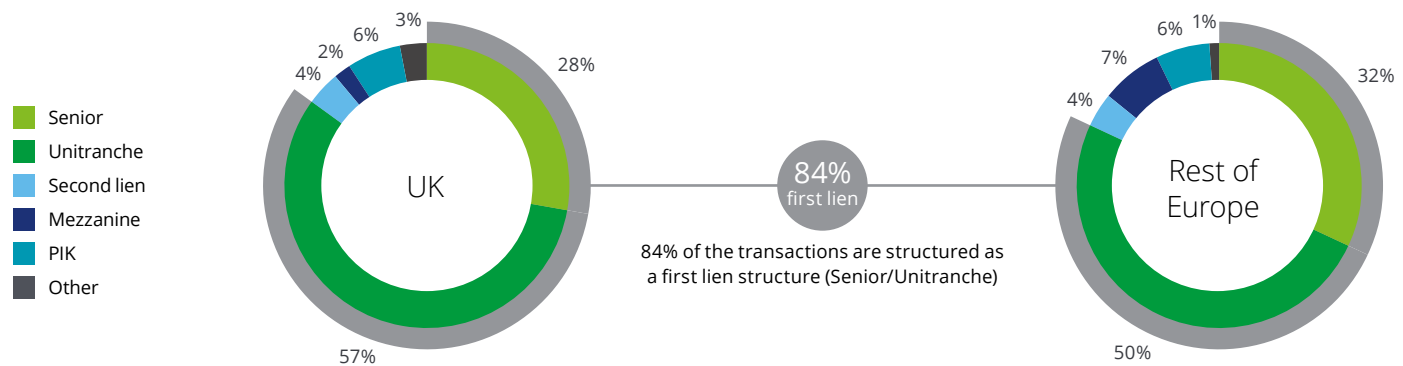
Deal purpose (Last 12 months)

The majority of the deals are M&A related, with 70% of the UK and Euro deals being used to fund a buy out. Of the 404 deals in the last 12 months, 72 deals did not involve a private equity sponsor.



Structures (Last 12 months)

Unitranche is the dominant structure, with 57% of UK transactions and 50% of European transactions. Subordinate structures represent only 16% of the transactions.



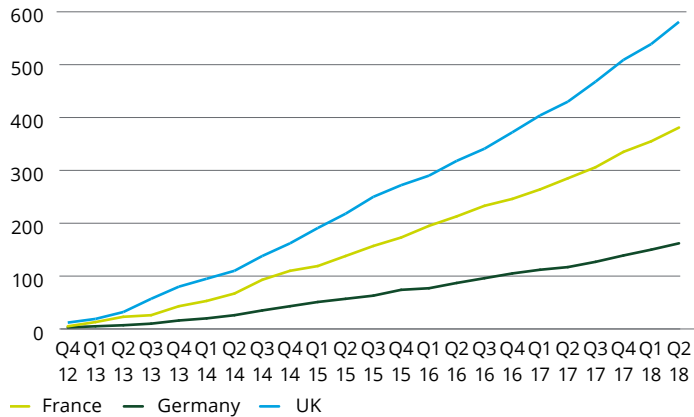
*For the purpose of the deal tracker, we classify senior only deals with pricing L + 650bps or above as unitranche. Pricing below this hurdle is classified as senior debt.

The UK still leading as the main source of deal volume for Direct Lenders in Europe

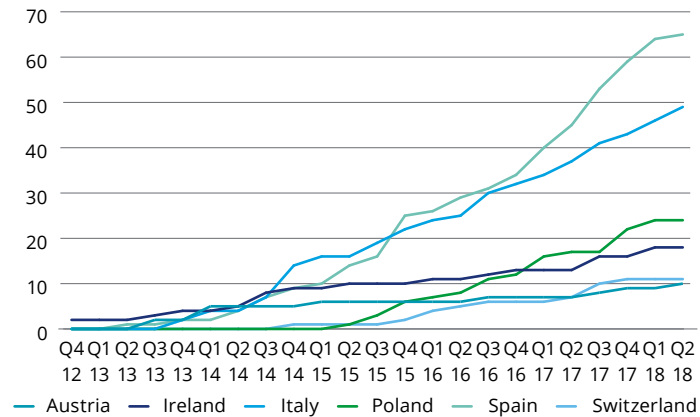
Cumulative number of deals per country

The number of deals is increasing at different rates in various European countries. The graphs below show countries which as of Q2 2018 have completed 5 or more deals.

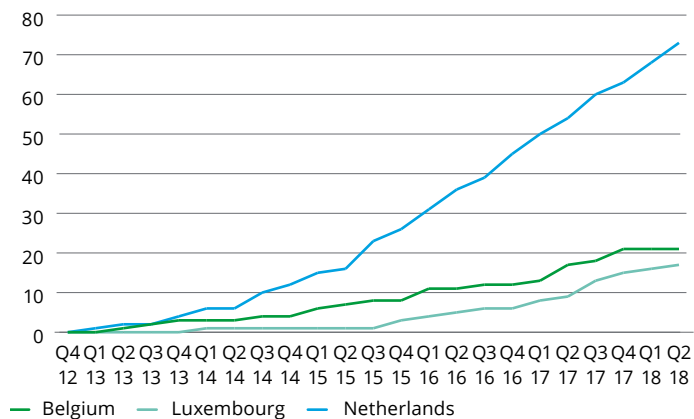
Largest geographic markets for Alternative Lenders



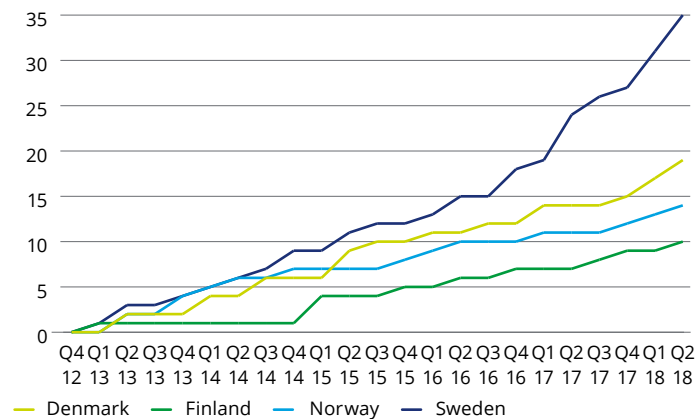
Other European



Benelux



Nordics

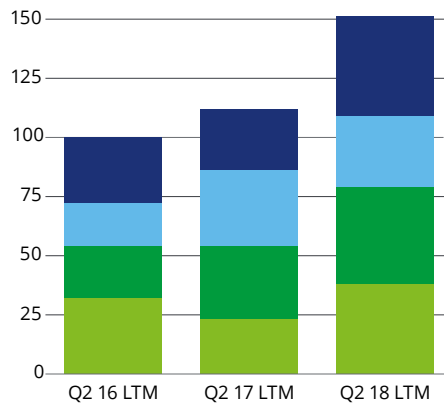


Direct Lending is growing in each of the main European markets

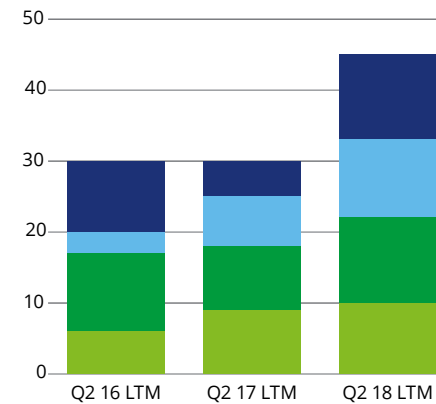
Comparison of deals for the last three years on a LTM basis for selected European countries

On average, over time the number of deals is increasing with positive CAGR between 2015 and 2018 in all of the countries shown below.

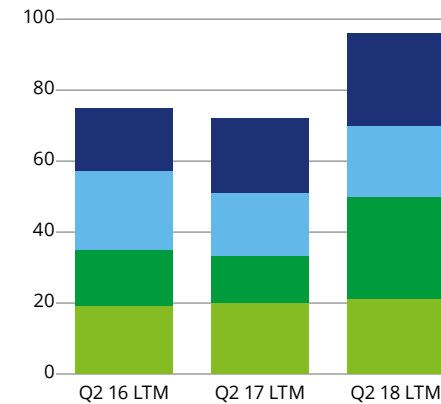
UK



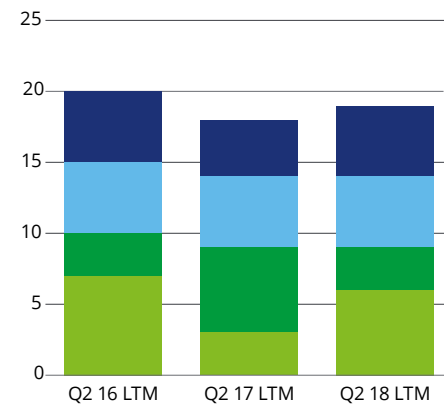
Germany



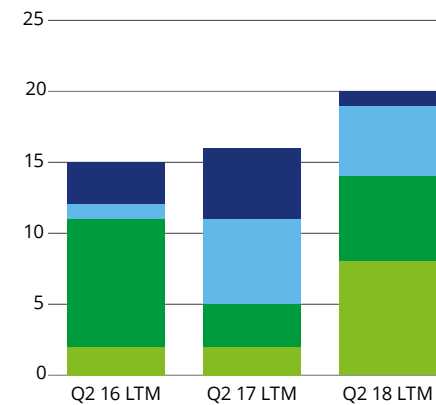
France



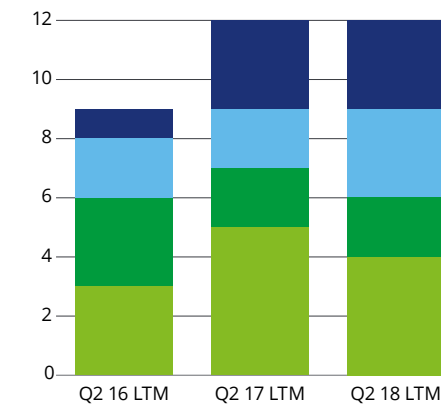
Netherlands



Spain



Italy



■ Q3 ■ Q4 ■ Q1 ■ Q2

Which landmark unitranche deals have been completed?

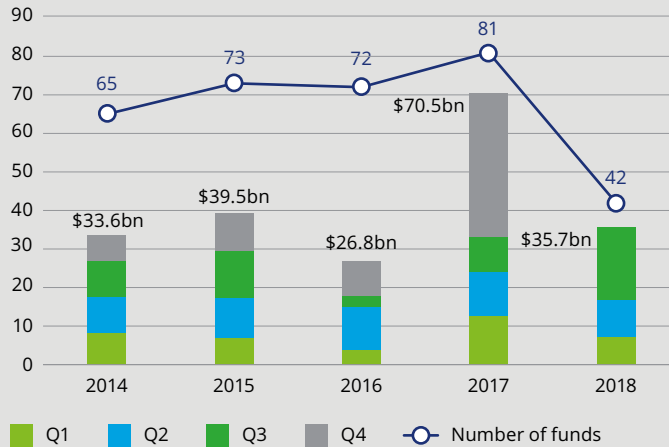
Selected Landmark Unitranche Deals (>€90m)

Borrower	Country	Unitranche in €m	Lenders	Sponsor	Date
Medifox	Germany	~120	Ardian, EQT	✓	Oct-18
Mobility Holdings	Germany	~130	Ardian	✓	Sep-18
IT Relations	Denmark	~150	Ardian	✓	Sep-18
Vetpartners	UK	~330	Ares	✓	Jun-18
Open GI	UK	~250	Ares	✓	Jun-18
Hesira	Netherlands	~350	Ares	✓	Jun-18
I@D	France	~120	LGT European Capital, Permira, Capzanine	✓	Jun-18
Five Guys	UK	~130	Goldman Sachs	-	Jun-18
Evernex	France	~150	Ardian	✓	Jun-18
ECS Group	France	~200	Ardian	✓	May-18
Idverde	France	~250	KKR, Tikehau Capital	✓	Mar-18
Twinsset	Italy	~200	Permira, Bluebay	✓	Mar-18
JJA	France	~150	Tikehau Capital	✓	Mar-18
First Names	UK	~200	Alcentra, RBS	✓	Feb-18
Artemis	Germany	~150	Alcentra	✓	Feb-18
Competence Call Center	Germany	~100	Blackrock, Tikehau Capital	✓	Jan-18
Conforama	France	~120	Tikehau Capital	-	Jan-18
Napolean Games	Benelux	~100	Permira	✓	Dec-17
EMVIA Living	Germany	~180	Ardian	✓	Dec-17
Crouzet	France	~100	LBO France	✓	Dec-17
Away Resorts	UK	~100	Permira	✓	Dec-17
Forest Holidays	UK	~100	Ares	✓	Dec-17
Medivet	UK	~200	Ares	✓	Nov-17
Prinsen-Berning	Netherlands	~100	Permira, CVC	✓	Oct-17
Daltys	France	~150	Permira Debt Managers	✓	Oct-17
Voogd & Voogd	Netherlands	~250	Ardian, CVC	✓	Sep-17
Aurum	UK	~150	Permira Debt Managers, Bain, other lenders	✓	Sep-17
Schweighofer	Austria	~150	Alcentra	✓	Sep-17
Oasis	UK	~150	Ares	✓	Aug-17
Docu Group	Sweden	~200	Ares	✓	Aug-17
Non-Standard Finance	UK	~120	Alcentra	✓	Aug-17
Siblu Holdings	France	~100	Alcentra, Barings, HSBC	✓	Aug-17
RSK	UK	~250	Permira Debt Managers	-	Aug-17
Non-Standard Finance	UK	~120	Alcentra	-	Aug-17
BVA SAS	France	~180	Alcentra	✓	Jul-17
Cipres Vie	France	~150	Alcentra	✓	Jul-17

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

Direct Lending fundraising

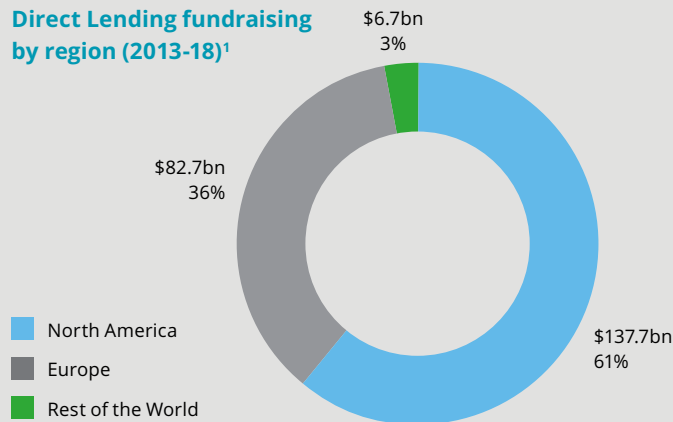
Global Direct Lending fundraising by quarter¹



Select largest funds with final closing in 2018¹

- Ares Capital Europe IV **€6,500m** (Europe)
- Kayne Senior Credit Fund III **\$3,000m** (North America)
- White Oak Yield Spectrum Fund **\$2,120m** (North America)
- Golub Capital Partners 11 **\$1,860m** (North America)
- Summit Partners Credit Fund III **\$1,500m** (North America)

Direct Lending fundraising by region (2013-18)¹

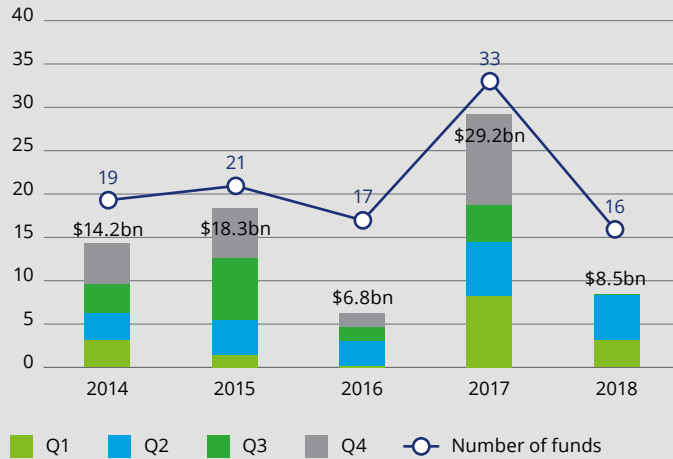


Select largest funds with final closings in 2017¹

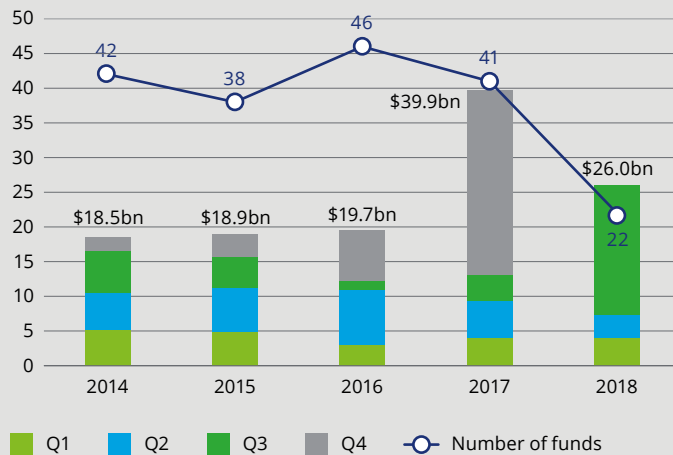
- Broad Street Loan Partners III **\$9,809m** (North America)
- ICG Senior Debt Partners III **€5,200m** (Europe)
- HPS Speciality Loan Fund 2016 **\$4,500m** (North America)
- Alcentra Clareant European Direct Lending Funds II **€4,300m** (Europe)
- Hayfin Direct Lending Strategy II **€3,500m** (Europe)

¹ Preqin, Credit Suisse market intelligence, 2018.

Europe Direct Lending fundraising by quarter¹



North America Direct Lending fundraising by quarter¹



Key takeaways

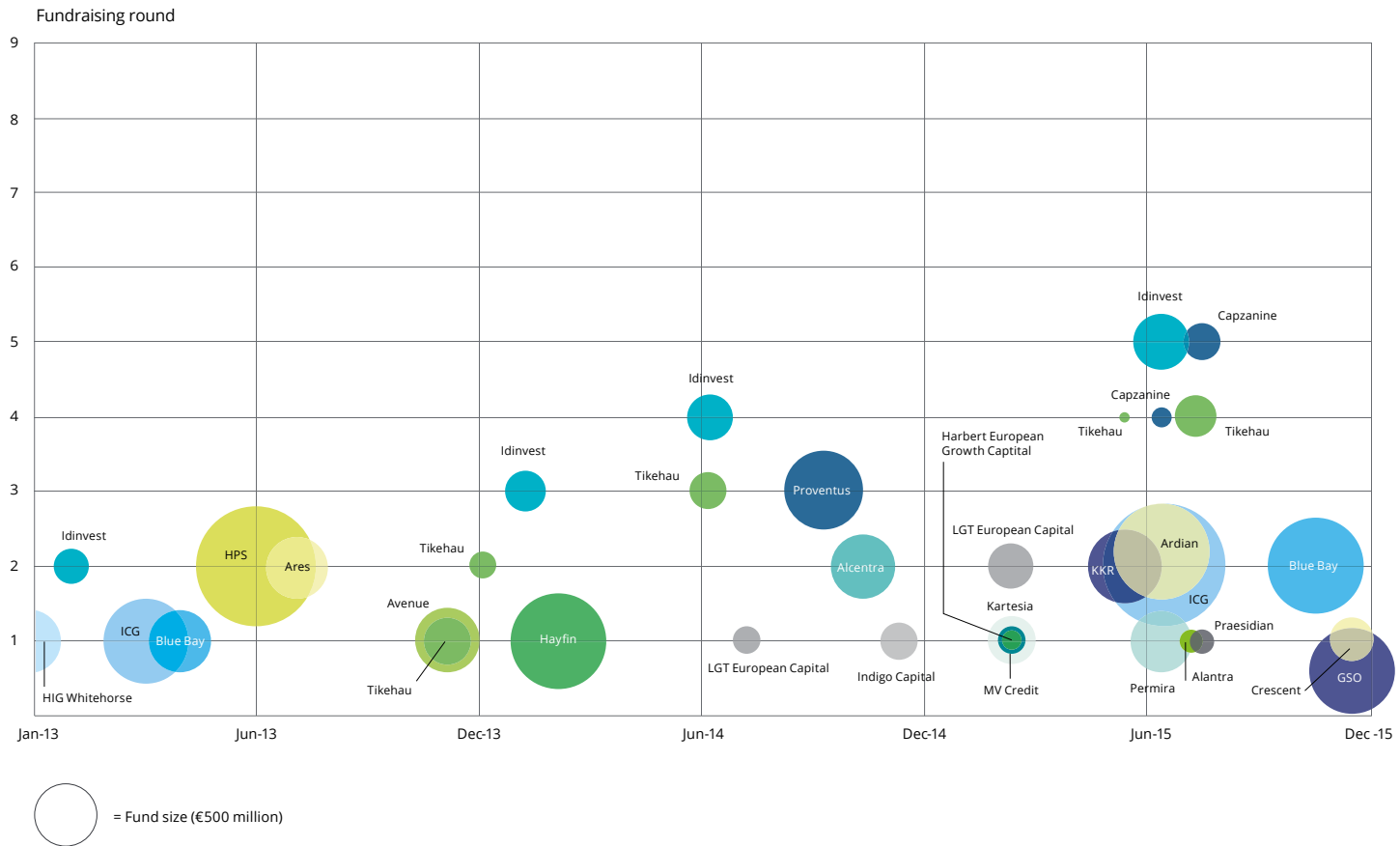
- 2017 was a record year for Direct Lending fundraising in both Europe and North America¹
 - In both Europe and North America, Q4 2017 was the strongest fundraising quarter on record¹
 - In Europe, 2018 has started out more slowly, behind the pace set in 2017 but well ahead of the lows seen in 2016. However, we expect several major managers to hold closings for funds of a very significant size later this year²
 - In North America, 2018 has seen robust volumes and is not far off the pace set in 2017
- Strong investor interest in separately managed accounts continues, meaning that not all capital committed to the Direct Lending space is easily captured²
- c. 190 Direct Lending funds seeking aggregate commitments of c. \$85 billion remain in the market as of June 2018¹
 - North American funds represent the majority of those in market (c. 100 funds targeting c. \$45 billion) with c. 55 European funds making up c. \$30 billion

¹ Preqin, 2018.

² Credit Suisse Private Fund Group market knowledge.

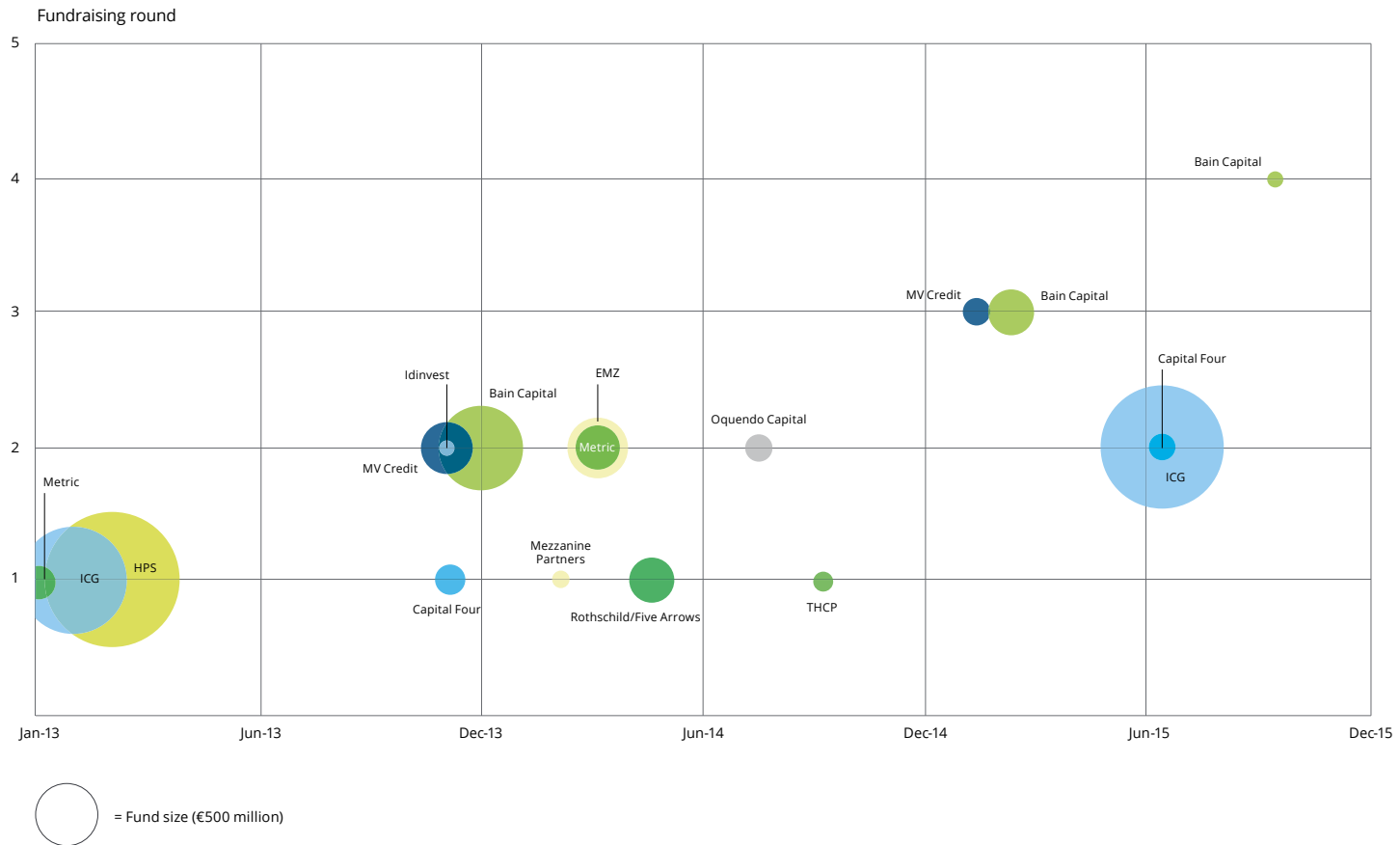
Senior: How much funds have been raised by which Direct Lending managers?

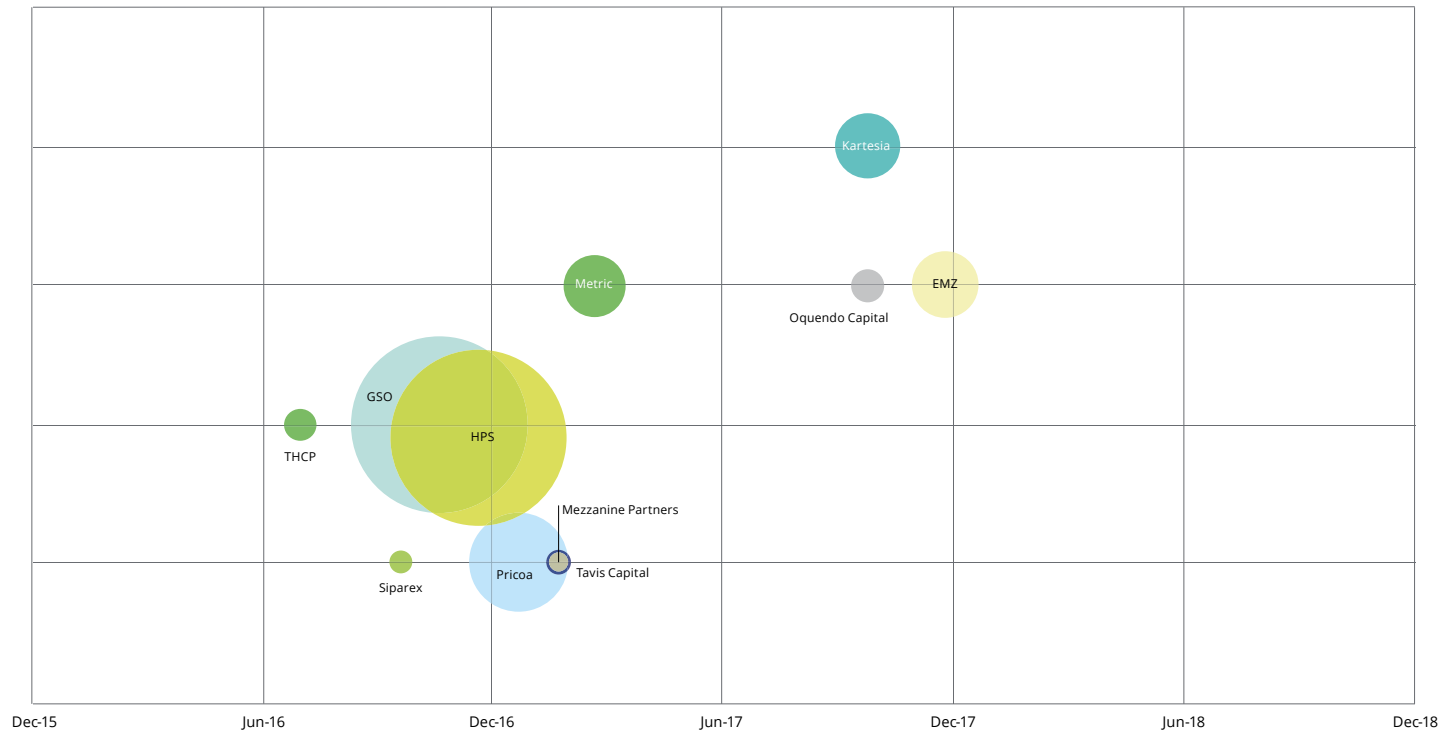
Senior Direct Lending fund raising focused on the European market



Junior/Growth: How much funds have been raised by which Direct Lending managers?

Junior/Growth Capital Direct Lending fund raising focused on the European market





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	€2,100	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 IV	Q2 18	€6,500	Senior	Europe
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)	Q4 15	€56	Junior	Global
Bain Capital Direct Lending 2015 (Levered)	Q1 15	€433	Junior	Global
Bain Capital Middle Market Credit 2014	Q4 13	€1,554	Junior	Global
Bain Capital Middle Market Credit 2010	Q2 10	€1,017	Junior	Global
Barings				
Global Private Loan Fund II	Q3 17	\$1,300	Senior and Junior	Global
Global Private Loan Fund I	Q2 16	\$777	Senior and Junior	Global
Blackrock				
BlackRock European Middle Market Private Debt Fund I	Q2 17	€602	Senior	Europe
BlueBay				
BlueBay Senior Loan Fund I	Q3 17	€2,900	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

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
Capital Four				
Capital Four Strategic Lending Fund	Q3 15	€135	Junior	Europe
Capital Four Nordic Leverage Finance Fund	Q4 13	€200	Junior	Europe
Capzanine				
Capzanine 4 Private Debt	Q1 18	€850	Senior and Junior	Europe
Artemid Senior Loan 2	Q1 18	€400	Senior	Europe
Artemid CA	Q3 15	€70	Senior	Europe
Artemid Senior Loan	Q3 15	€345	Senior	Europe
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	Q4 18	€815	Junior	Europe
EMZ 7	Q1 14	€695	Junior	Europe
EMZ 6	Q1 09	€640	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 European Growth Capital				
Harbert European Growth Capital Fund II	Q3 18	\$215	Senior and Junior	Europe
Harbert European Growth Capital Fund I	Q1 15	€122	Senior and Junior	Europe
Hayfin				
Direct Lending Fund II	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	€5,200	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
Idinvest				
Idinvest Private Debt IV	Q3 18	€715	Senior and Junior	Europe
Idinvest Dette Senior 4	Q4 16	€300	Senior	Europe
Idinvest Dette Senior 3	Q3 15	€530	Senior	Europe

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
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
Incus Capital				
Incus Capital European Credit Fund III	Q2 18	€500	Senior and Junior	Europe
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
Indigo Capital				
Fund VI	Q3 14	€320	Junior	Europe
Fund V	Q3 07	€220	Junior	Europe
Fund IV	Q3 03	€200	Junior	Europe
Fund III	Q3 00	€100	Junior	Europe
Kartesia				
Kartesia Credit Opportunities IV	Q4 17	€870	Senior and Junior	Europe
Kartesia Credit Opportunities III	Q1 15	€508	Senior and Junior	Europe
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
Mezzanine Partners				
Mezzanine Partners II	Q1 17	€65	Junior	Europe
Mezzanine Partners I	Q1 14	€65	Junior	Europe
Northleaf				
Northleaf Private Credit	Q4 17	\$1,400	Senior and Junior	Global
Oquendo Capital				
Oquendo III SCA SICAR	Q4 17	€200	Junior	Europe
Oquendo II SCA SICAR	Q3 14	€157	Junior	Europe

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
Pemberton				
European Mid-Market Debt Fund	Q4 16	€1,140	Senior	Europe
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
Siparex				
Siparex	Q4 16	€100	Junior	Europe
Tavis Capital				
Swiss SME Credit Fund I	Q1 17	CHF137	Junior	Europe
Tikehau				
Fund 8	Q4 17	€205	Senior and Junior	Europe
Fund 7	Q2 17	€615	Senior and Junior	Europe
Fund 6	Q3 16	€610	Senior and Junior	Europe
Fund 5	Q3 15	€290	Senior and Junior	Europe
Fund 4	Q3 15	€19	Senior and Junior	Europe
Fund 3	Q2 14	€230	Senior and Junior	Europe
Fund 2	Q4 13	€134	Senior and Junior	Europe
Fund 1	Q4 13	€355	Senior	Europe

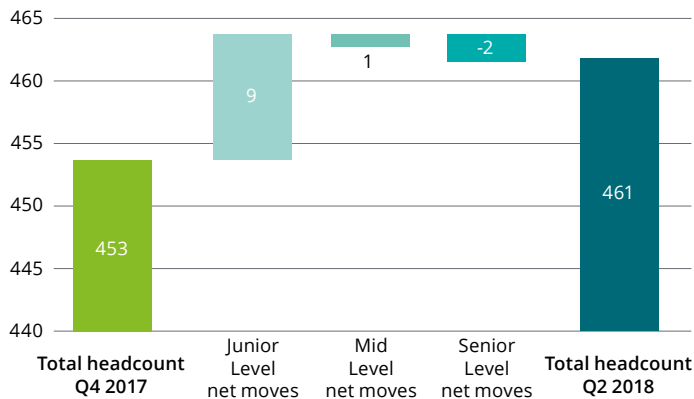
Direct Lending Professionals – Key statistics and recent moves

Direct Lending Market Headcount

Following on from last year, the Direct Lending market has continued to expand in Europe. However, what is evident from the Q1 2018 ALTD report is that fundraising is no longer at the high levels we saw in Q1 last year. Deal flow, on the other hand, remains strong, showing a steady increase year-on-year.

The graph displayed in Figure 1.0 shows that the total headcount in the Direct Lending market has increased from 453 to 461 in the first half of this year, with the majority of net additions coming in at the Junior level (<6 years of industry experience). At the Mid to Senior level there has been little net movement, even showing a slight reduction in personnel at 10+ years.

Figure 1. Graph comparing net moves across different levels of seniority between the end of Q4 2017 and end of Q2 2018

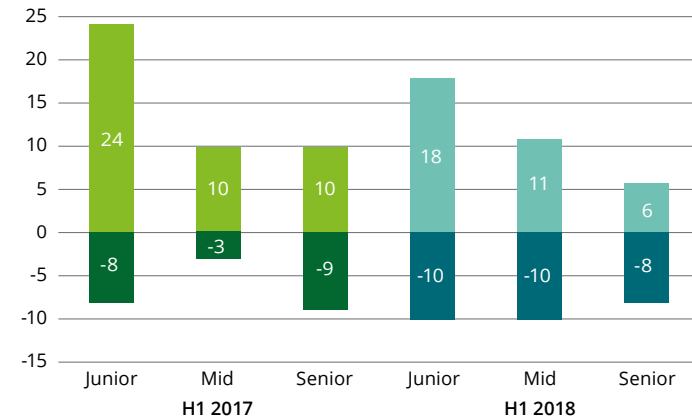


Notes

For the purposes of this analysis we have included the total investment team headcounts at c. 35 combined Mezzanine / Direct Lending funds (such as Park Square, Crescent Capital). We have excluded the Mezzanine/Minority Equity teams at ICG, on the basis that much of their investment now is in minority or majority equity. We have also excluded teams whose main activity is in the corporate private placement market.

When analysing seniority, junior-level IPs are those with less than 6 years' relevant experience, mid-level constitutes 6-10 years' experience, and senior is those with more than 10 years' experience.

Figure 2. Graph comparing the total hires and departures across different levels of seniority from the first half (H1) of 2017 and 2018



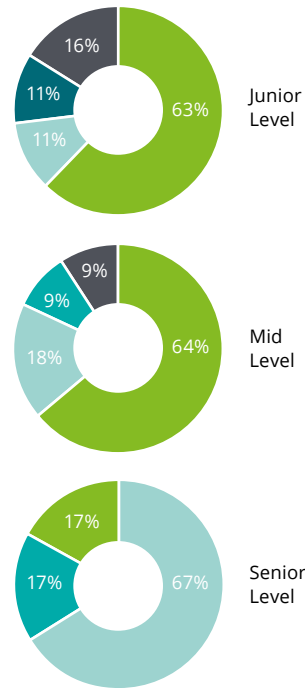
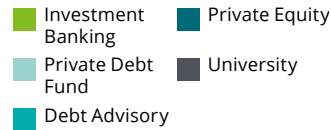
Hiring Trends by Seniority

Comparing data from the first half of 2017 versus 2018, we can see from Figure 2 that overall hires are down on last year, from 44 to 36, whereas the number of departures have increased from 23 to 28. This could be a reflection of the relative downturn in fundraising for Q1 we have seen this year.

However, with several major managers expecting to close funds in the second half of this year perhaps the lull in net movement observed, especially at the Senior level, is only temporary.

The majority of the Junior and Mid-level hires in the first half of this year have come from Investment Banking (63% and 64% respectively). As is evident from Figure 3, at the Senior level the majority of hires have come from competitor Private Debt funds (67%) with the remainder coming from Investment Banking (17%) and Debt Advisory (17%).

Figure 3. Breakdown of first half 2018 hires by source



Recent Notable Direct Lending Moves

Alcentra	Maria Garcia Diego, Associate, joins from Citi	Cordet Capital Partners	Gustavo Diquez, COO & Investment Director, left for start-up
Alcentra	Sarah Madore, Associate, joins from UniCredit	CVC Credit Partners	Natalia Nowak, Managing Director, joins from ESO Capital
Apollo	Pascal Mittelbach, Associate, joins from Credit Suisse	GIC	Woohan Ong, Associate, moved internally to New York
Apollo	Mensah Lambie, Principal, joins from Beechbrook	Goldman ESSG	Penny Deans, Analyst, joins from Centerview Partners
Ardian	Alessandro Nuti, Investment Manager, left for Bain Capital	HPS	Sogo Akintaro, Analyst, joins from Credit Suisse
Ardian	Liam Jacobs, leaves for Blackrock	KKR & Co.	Thierry Aoun, Principal, joins from JP Morgan
Ares Management	Christos Daskagiannis, Associate, joins from JP Morgan	LGT	Olivia Lopetegui joins
Ares Management	Fabio Biasion, Analyst (Frankfurt), joins from University	Northleaf Capital	Jonathon Haigh, Associate, joins from JP Morgan
Ares Management	Romain Goulet, Associate, left for Goldman Sachs	Northleaf Capital	Daniel Gardiner, Associate, left for Black Diamond
Barings	Andrey Gromak, Director, left for CVC (Hong Kong)	Park Square Capital	Till Dunnwald, Associate, left for Bayside
Blackrock	Carl Marin, Director (Paris), joins from Mizuho	Park Square Capital	Adrien Elbaz, Associate, left for TA Associates
Blackrock	Jaymee Patel, Associate, joins from HSBC	Partners Group	Emmy Al-Ghabra, Assistant Vice President, left for MBA
Blackrock	Virginie Gasnier, Head of France & Spain, left for Natixis Partners	Pemberton Asset Management	Alexandre Mamelle, Analyst, joins from Seedrs
BlueBay	Abhik Das, Partners, left for Golding Capital	TPG	Ido Krakowsky, Vice President, joins from Greenfield Partners
BlueBay	Mattis Poetter, Partner, joins from HPS	TPG	Jennifer Cable, Vice President, left
Bridgepoint Capital	Sarah Davies, Senior Associate, joins from Commonwealth Bank	TPG	Phil Fretwell, Partner, left

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, investment banking and private equity.

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Alternative Lending in action: Case study



Direct Lender supports Hg's acquisition of DADA, an Italian pan-European domain & hosting services provider through bond issuance

Hg acquires market leading domain & hosting digital services business in Italy



Lorenzo Lepri
General Manager
& CFO of DADA

Early last year when the largest shareholder announced they were selling their stake, Hg, a specialist technology investor, decided to acquire a majority stake in Dada, which at that time was listed on the STAR segment of the Italian Stock Exchange and had been on Hg's radar given its geography and the sector it operated in. The initial acquisition took place in October 2017 when Hg acquired a 69.4% stake in Dada. In February 2018, Hg completed a tender offer and a squeeze-out in relation to the remaining ordinary shares, resulting in a 100% ownership of the shares and a delisting of the acquiring company from the stock exchange.

David Sun from Hg explains the reasons for the acquisition: ***"it is one of the few truly pan-European shared hosting businesses. It has a very strong market position in a certain number of countries where none of the other really large trade consolidators had a presence while building strong positions in other European geographies as well."***

Hg appointed Deloitte Debt & Capital Advisory to help with refinancing the bridging debt solution during the staggered share purchase. Deloitte teams from the UK and Italy worked together to deliver the transaction by approaching Italian and international alternative lenders and banks. Ultimately Hg decided to progress with BlueBay to fund the new debt and optimise the capital structure. The fund-led solution was preferred as it optimised the capital structure in terms of quantum of debt, follow on M&A capacity and additional covenant flexibility.

"Having a funder that believed in the story which we were investing behind, would support executing the M&A strategy, and had experience purchasing Italian bonds, were key considerations for us" says David from Hg.

Hg appointed Deloitte Debt & Capital Advisory to help with refinancing the bridging debt solution during the staggered share purchase. Deloitte teams from the UK and Italy worked together to deliver the transaction by approaching Italian and international alternative lenders and banks.

“Hg and Bluebay have been crucial to provide us within a very stringent timeframe the financial resources and the operational flexibility to execute our external growth strategy and reinforce materially our pan-European franchise”

says Lorenzo Lepri, General Manager & CFO from Dada.

“We are delighted to back Hg and become the financing partner of Dada. Dada is a very successful business run by a highly talented management team. It is also great to be doing another transaction in Italy and be able to leverage our expertise in structuring deals in Italy” says Vincent Vitores from BlueBay.

Alternative lenders can purchase bonds issued by Italian entities, which can include similar commercial features to loans product with the main difference being around process and execution as opposed to commercial considerations.

For deals of this nature, time invested upfront is critical to ensure the structure works from an operational perspective and any process complexities are identified and mitigated upfront with all parties aligned to a common timetable.

David from Hg concluded ***“even though there are additional regulatory steps, in terms of timeline, it is not substantially more onerous than a usual Direct Lending process as long as you have advisory and legal teams who are experienced with such processes”***.

DADA

DADA, headquartered in Italy, is an international provider of domain & hosting digital services for professionals and SMEs. The Company operates across a number of European countries: in Italy through its established brand Register.it, in the UK, Ireland, Spain, France, Portugal and the Netherlands under the Namesco, PoundHost, Register365, Nominalia and Amen brands, respectively.

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 over-levered structures	▶	✓	Enable an exit of bank lenders
7	Raising junior HoldCo debt	▶	✓	Increase leverage for acquisitions/ dividends

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.

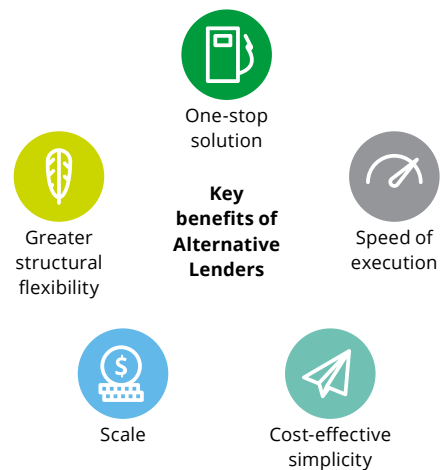
Over the last three years a significant number of new funds has been raised in Europe. Increased supply of Alternative Lender capital has helped to increase the flexibility and optionality for borrowers.

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

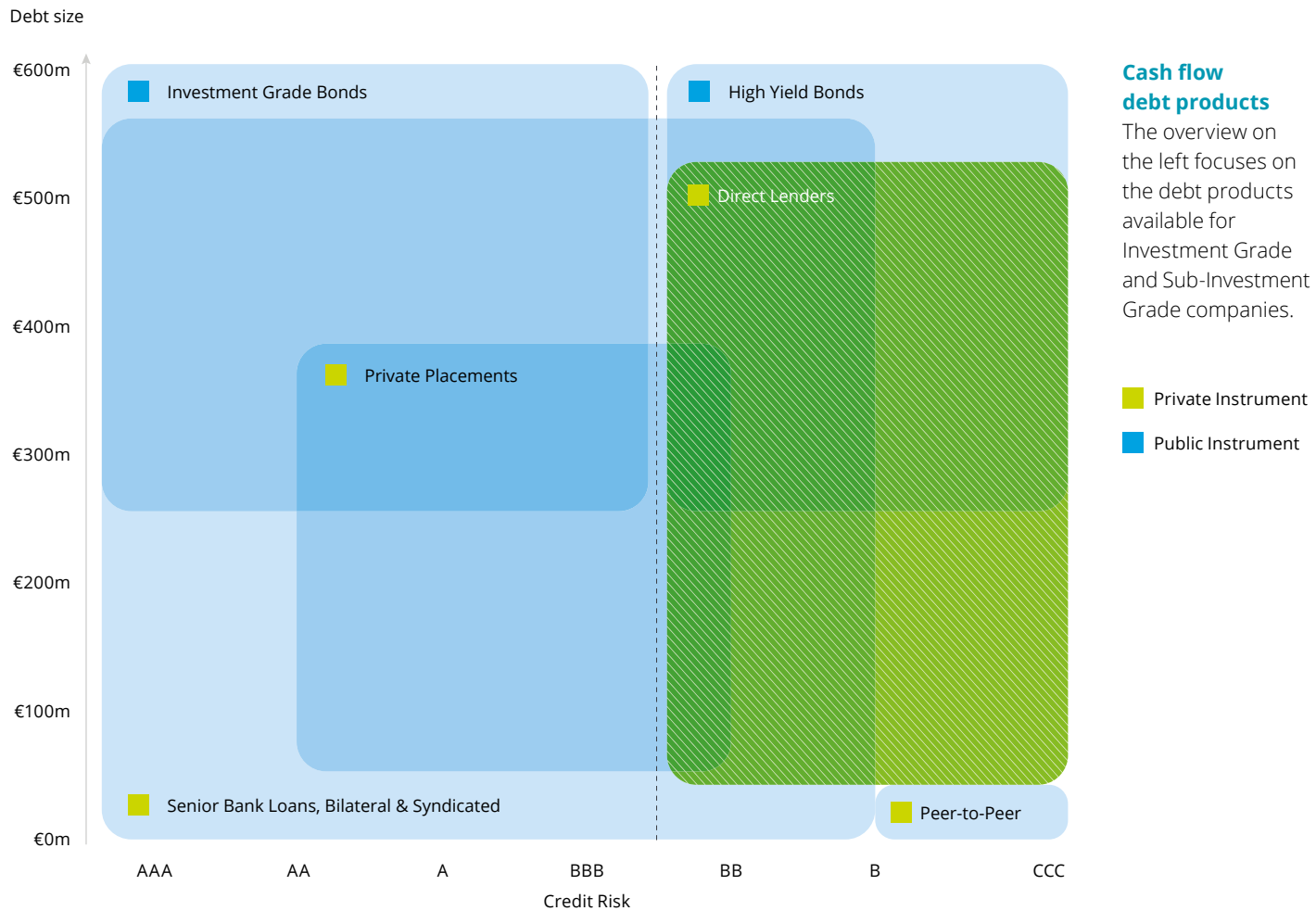
Main features of Euro PP

- 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

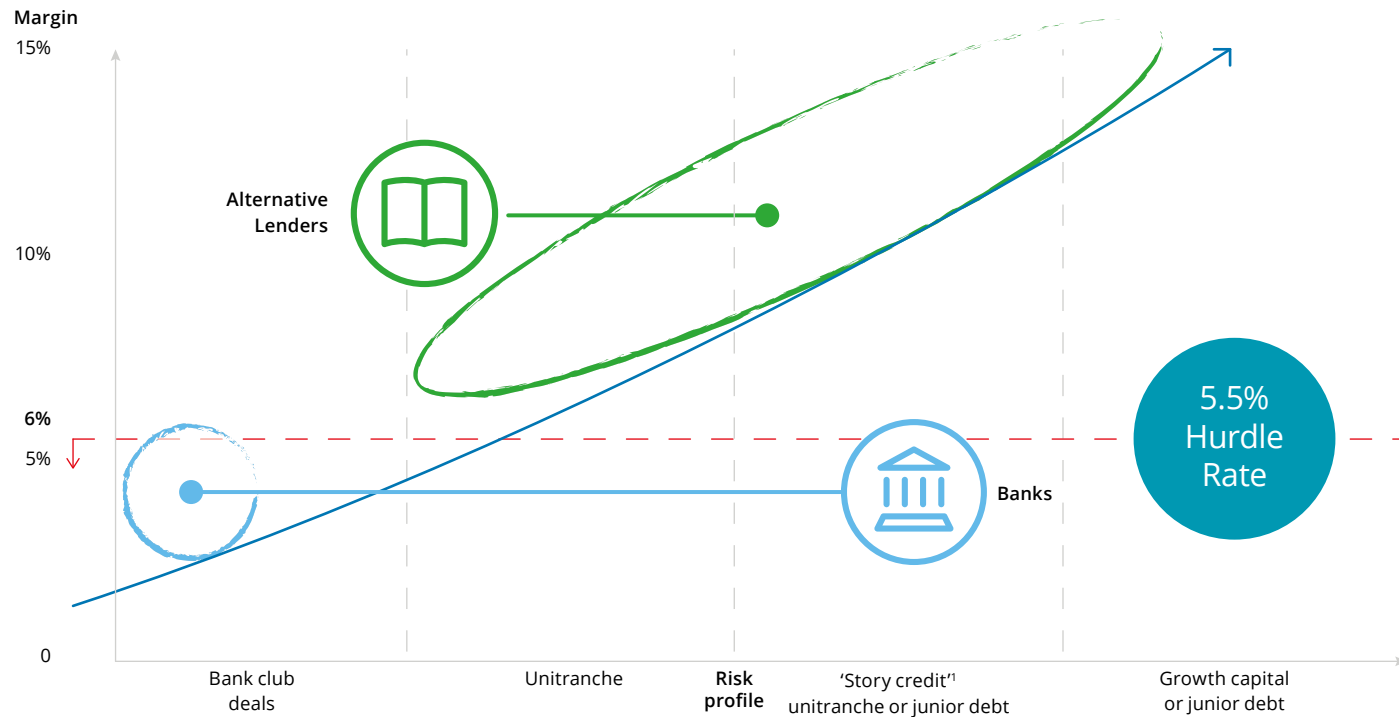
Pros and Cons of Euro PP

- ✓ 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?



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.

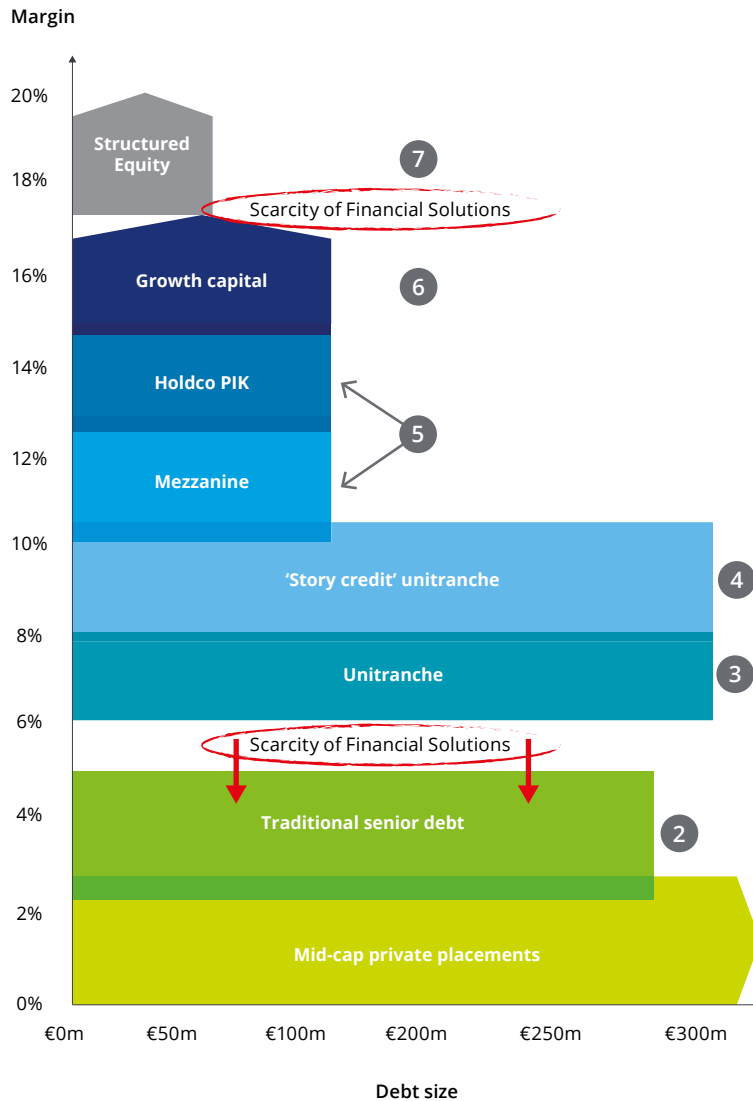
Majority of the Direct Lenders have hurdle rates which are above L+550bps margin and are mostly involved in the most popular strategy of 'plain vanilla' unitranche, which is the deepest part of the private debt market. However, Direct Lenders are increasingly raising senior risk strategies funds with 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?

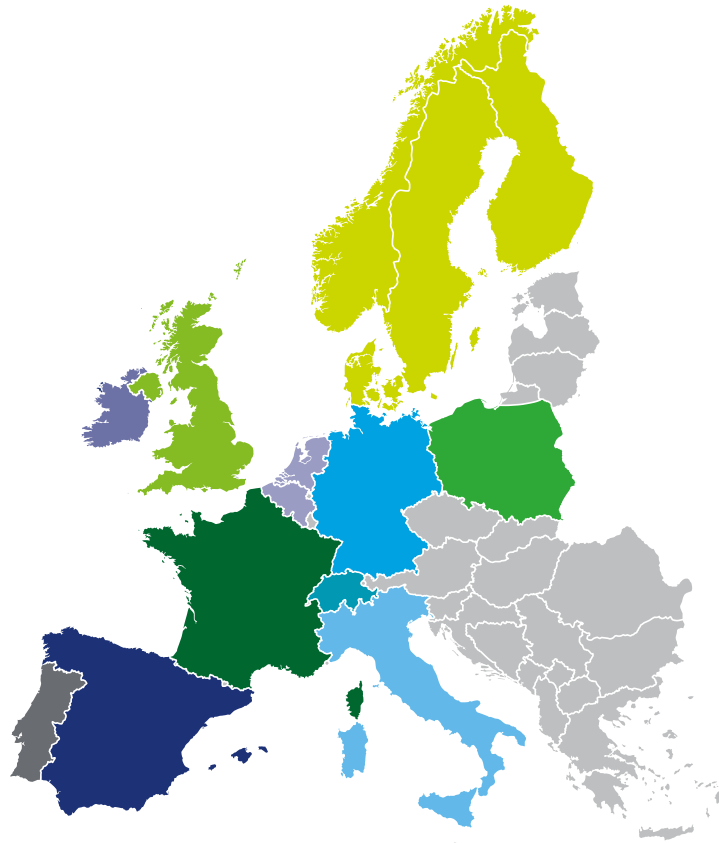
Fund strategy	Description	Target return (Gross IRR)	Investment period	Fund term	Management fee	Preferred return	Carried interest
Direct senior lending	Invest directly into corporate credit at senior levels of the capital structure	5-10%	1-3 years	5-7 years (plus 1-2 optional one year extensions)	Typically around 0.6 – 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?



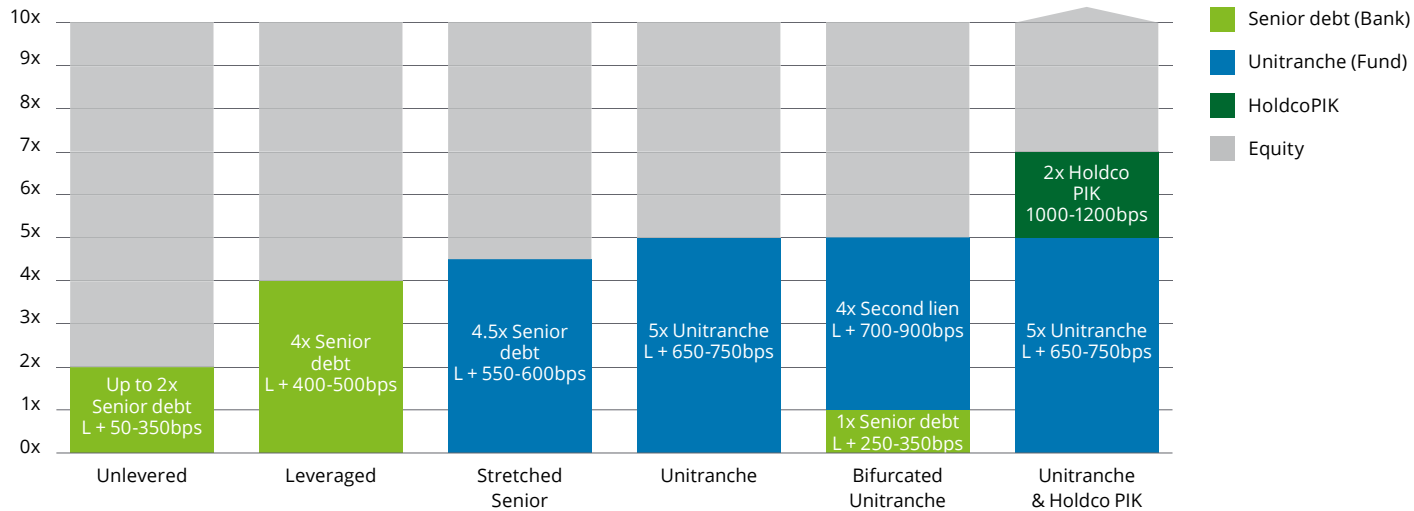
Note: offices included with at least one dedicated Direct Lending professional. The graph does not necessarily provide an overview of the geographical coverage.



What debt structures are available in the market?

Structures

EV/EBITDA



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



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

Pros and Cons per structure

- | | | | | | |
|--|---|--|---|---|---|
| <ul style="list-style-type: none"> ✓ Lowest pricing ✓ Relationship bank • Low leverage • Shorter tenor (3-5 years) | <ul style="list-style-type: none"> ✓ Increased leverage ✓ Club of relationship banks • More restrictive terms • Partly amortising | <ul style="list-style-type: none"> ✓ Increased leverage ✓ Bullet debt ✓ Lower Equity contribution • More restrictive terms than Unitranche • Higher pricing than bank debt • Need for RCF lender | <ul style="list-style-type: none"> ✓ Stretched leverage ✓ Flexible covenants ✓ One-stop shop solution ✓ Speed of execution ✓ Relationship lender • Higher pricing | <ul style="list-style-type: none"> ✓ Stretched leverage ✓ Flexible covenants ✓ Greater role for bank ✓ Reach more liquid part of the unitranche market • Higher pricing • Intercreditor/AAL | <ul style="list-style-type: none"> ✓ 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.

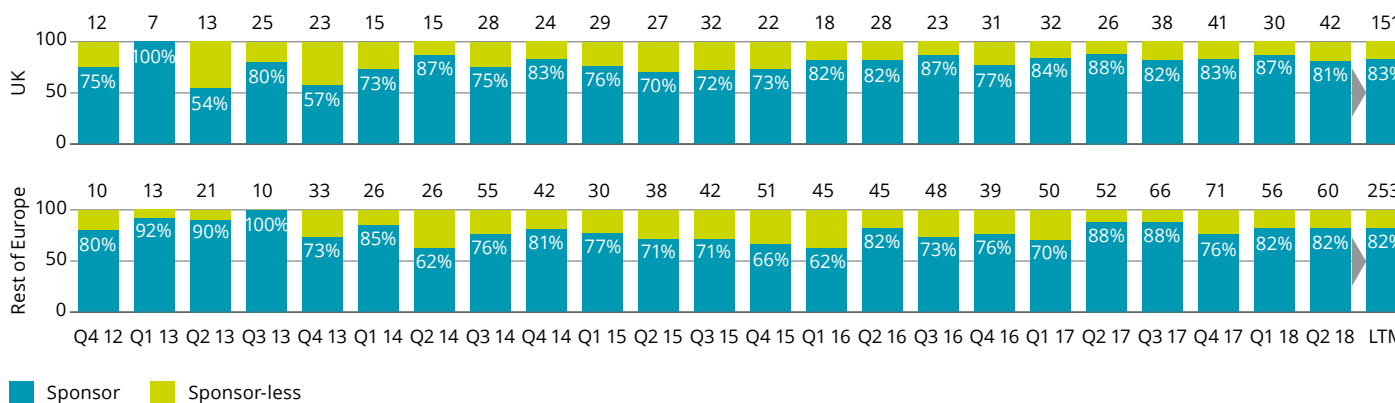
Key advantages

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



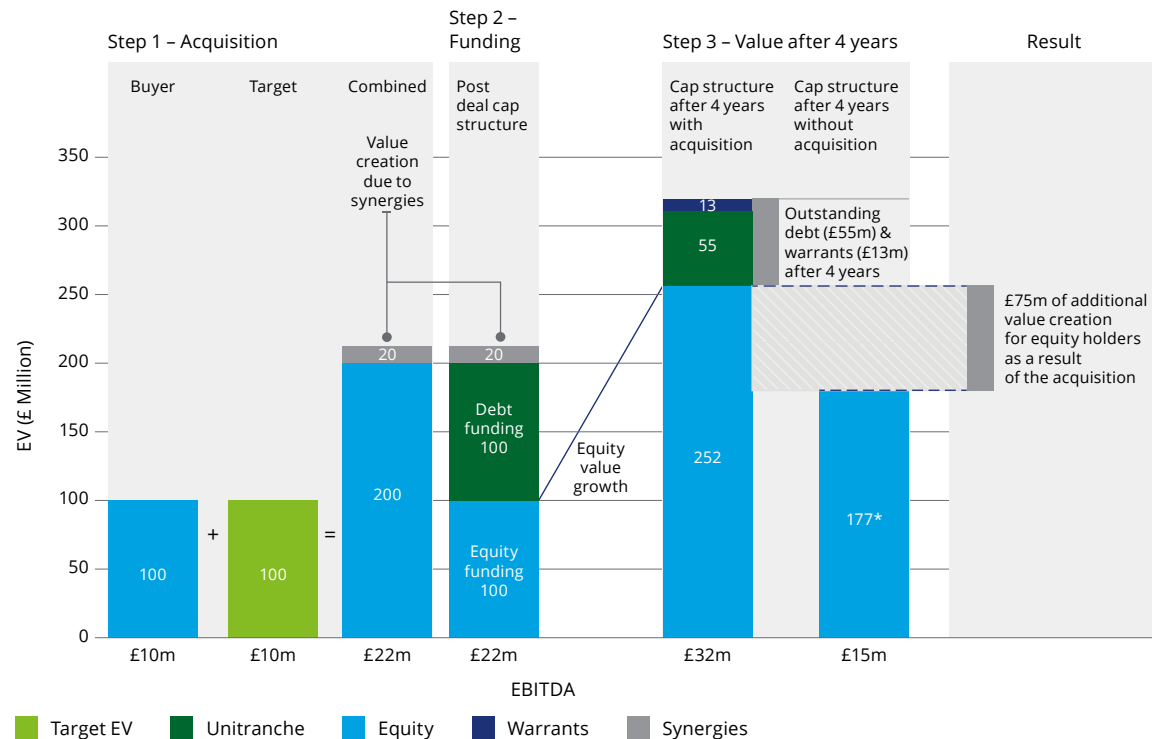
Unlocking transformational acquisitions for privately owned companies

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



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

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

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?



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Selected Global transactions

<p>Undisclosed Acquisition Financing</p> <p>Project Emoji</p> <p>Sep 2018 - \$35m UAE/UK</p>	<p>ByBox Acquisition Financing</p> <p>ByBox</p> <p>Sep 2018 - Undisclosed UK</p>	<p>Education Personnel Refinancing</p> <p>education personnel</p> <p>Sep 2018 - Undisclosed UK</p>	<p>It Relation A/S Acquisition Financing</p> <p>ITRelation</p> <p>Aug 2018 - Undisclosed Denmark/UK</p>	<p>Macquarie Group Acquisition Financing</p> <p>ParkingEye</p> <p>Aug 2018 - Undisclosed UK</p>	<p>Lonsdale Capital Partners Acquisition Financing</p> <p>elite</p> <p>Jul 2018 - Undisclosed Ireland</p>	<p>Applegreen Acquisition Financing</p> <p>applegreen</p> <p>Jul 2018 - €300m UK/Ireland</p>	<p>Dada Refinancing</p> <p>() DADA</p> <p>Jul 2018 - Undisclosed UK/Italy</p>
<p>Bridgepoint Acquisition Financing</p> <p>PEI</p> <p>Jun 2018 - €62m UK</p>	<p>Gala Bingo Refinancing</p> <p>Gala</p> <p>Jun 2018 - Undisclosed UK</p>	<p>Wood Receivables Refinancing</p> <p>wood.</p> <p>Jun 2018 - Undisclosed UK</p>	<p>Carpentright Amend & Extend</p> <p>carpentright.</p> <p>Jun 2018 - €90m UK</p>	<p>Autotrader Amend & Extend</p> <p>AutoTrader</p> <p>Jun 2018 - €400m UK</p>	<p>Egeria - JET Group Refinancing</p> <p>EGERIA JET</p> <p>Jun 2018 - €105m Netherlands</p>	<p>Vision Blue Solutions New Debt Raising</p> <p>VISIONblue SOLUTIONS</p> <p>Jun 2018 - Undisclosed UK/Ireland</p>	<p>PCI Bridge Financing</p> <p>pci</p> <p>Jun 2018 - Undisclosed Netherlands</p>
<p>Confidential Growth Financing</p> <p>nua HOSPITALITY</p> <p>Jun 2018 - Undisclosed Ireland</p>	<p>Park Developments New Debt Raising</p> <p>PARK Developments Group</p> <p>Jun 2018 - Undisclosed Ireland</p>	<p>JJ Rhatigan New Debt Raising</p> <p>Rhatigan Building Contractors</p> <p>Jun 2018 - Undisclosed Ireland</p>	<p>Egeria - Trust Acquisition Financing</p> <p>EGERIA Trust</p> <p>May 2018 - €75m Netherlands</p>	<p>Corrib Oil Growth Financing</p> <p>corrib oil</p> <p>May 2018 - Undisclosed Ireland</p>	<p>HgCapital Staple Financing</p> <p>JLA</p> <p>May 2018 - Undisclosed UK</p>	<p>Iris Staple Financing</p> <p>IRIS</p> <p>May 2018 - Undisclosed UK</p>	<p>Allocate Acquisition Financing</p> <p>A</p> <p>May 2018 - Undisclosed UK</p>
<p>PPC South Africa Term Sheet Review</p> <p>PPC</p> <p>Apr 2018 - ZAR 2.5bn South Africa</p>	<p>UPMC New Debt Raising</p> <p>UPMC</p> <p>Apr 2018 - Undisclosed Ireland</p>	<p>Danu Partners Refinancing</p> <p>DANU PARTNERS</p> <p>Apr 2018 - €20m Ireland</p>	<p>Foundry Acquisition Financing</p> <p>THE FOUNDRY.</p> <p>Apr 2018 - Undisclosed UK</p>	<p>Access Acquisition Financing</p> <p>access</p> <p>Apr 2018 - Undisclosed UK</p>	<p>Kinapse Acquisition Financing</p> <p>kinapse</p> <p>Apr 2018 - Undisclosed UK</p>	<p>Inflexion Acquisition Financing</p> <p>HUWS GRAY</p> <p>Apr 2018 - Undisclosed UK</p>	<p>Bolster Acquisition Financing</p> <p>Bolster.</p> <p>Apr 2018 - Undisclosed Netherlands</p>
<p>DMGT Refinancing</p> <p>DMGT</p> <p>Mar 2018 - €400m UK</p>	<p>Project Luther Refinancing</p> <p>Project Luther</p> <p>Mar 2018 - €400m UK</p>	<p>A-Plan Bolt-on Financing</p> <p>a-plan</p> <p>Mar 2018 - Undisclosed UK</p>	<p>Low Rental Staple Financing</p> <p>LOWE</p> <p>Mar 2018 - Undisclosed UK/Ireland</p>	<p>Newport Capital Acquisition Financing</p> <p>NEWPORT CAPITAL Cow Hills</p> <p>Mar 2018 - Undisclosed Netherlands</p>	<p>Fundinfo Acquisition Financing</p> <p>fundinfo</p> <p>Mar 2018 - Undisclosed UK</p>	<p>Dada Acquisition Financing</p> <p>() DADA</p> <p>Feb 2018 - Undisclosed UK</p>	<p>Qbuzz Lease Financing</p> <p>Qbuzz</p> <p>Feb 2018 - Undisclosed Netherlands</p>
<p>International Car Leasing Conduit Refinancing</p> <p>INTERNATIONAL CAR LEASE HOLDING</p> <p>Feb 2018 - Undisclosed Netherlands</p>	<p>Countrywide Covenant Amendment</p> <p>Countrywide</p> <p>Jan 2018 - €250m UK</p>	<p>Vets4Pets Refinancing</p> <p>Vets4Pets</p> <p>Jan 2018 - €80m UK</p>	<p>HgCapital Refinancing</p> <p>JLA</p> <p>Jan 2018 - Undisclosed UK</p>	<p>Westfalia Acquisition Financing</p> <p>westfalia fruit</p> <p>Jan 2018 - \$140m UK</p>	<p>Latecôere Refinancing</p> <p>LATECOERE</p> <p>Dec 2017 - €55m France</p>	<p>Forest Capital Acquisition Financing</p> <p>forestholidays</p> <p>Dec 2017 - Undisclosed UK</p>	<p>Silverfleet Acquisition Financing</p> <p>SILVERFLEET</p> <p>Dec 2017 - Undisclosed UK</p>

Selected Global transactions

Domino's Group Plc Refinancing  Dec 2017 - €350m UK	Norli Pension Acquisition Financing  Dec 2017 - €37m Denmark	Kalaallit Airports Capex Financing  Dec 2017 - €250m Denmark	Koncenton Acquisition Financing  Dec 2017 - €35m Denmark	Multiraship Refinancing  Dec 2017 - €60m Netherlands	easyGYM Growth Financing  Dec 2017 - Undisclosed Netherlands	Kouwenberg Acquisition Financing  Dec 2017 - €7m Netherlands	IZICO Food Group Acquisition Financing  Nov 2017 - €97m Netherlands
TSH Refinancing  Nov 2017 - €310m Netherlands	Xafinity Acquisition Finance  Nov 2017 - €80m UK	Cogital Refinancing  Nov 2017 - NOK1400m UK	Atcore Staple Financing  Nov 2017 - Undisclosed UK	Citation Refinancing  Nov 2017 - Undisclosed UK	Ullink Staple  Nov 2017 - Undisclosed UK	Viabill Acquisition Financing  Oct 2017 - €40m Denmark	Undisc. Infrastructure Fund Acquisition Financing  Oct 2017 - Undisclosed Denmark
Birch & Co Acquisition Financing  Oct 2017 - €23m Denmark	YSC Holdings Staple Financing  Oct 2017 - Undisclosed UK	Iris Refinancing  Oct 2017 - Undisclosed UK	Micro Focus Banking Continuity Services  Oct 2017 - Undisclosed UK	Undisclosed Development Finance  Oct 2017 - €5m Ireland	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 - €200m UK	Kismul Acquisition Finance  Sep 2017 - Undisclosed UK	LDC Acquisition Financing  Sep 2017 - Undisclosed UK	FFUN Motor Group Refinancing  Aug 2017 - C\$100m Canada	Sovos Compliance Acquisition Financing  Aug 2017 - Undisclosed US	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 Finance  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 Odontologicos Growth Financing  Jul 2017 - €50m Spain	Acome Amend & Extend  Jul 2017 - €60m France	BioTelemetry, Inc Acquisition Financing  Jun 2017 - €255m US	Sports & Leisure Group Staple Financing  Jun 2017 - Undisclosed Belgium	Labflex Acquisition Financing  Jun 2017 - €15m Denmark	Stage Entertainment Refinancing  Jun 2017 - Undisclosed Netherlands	Keylane Refinancing  Jun 2017 - Undisclosed Netherlands

Important Notice in relation to page 12-13

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