Bloomberg BRIEF

Leveraged Finance

NEWS, ANALYSIS AND COMMENTARY

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Comstock Seeks to Alter Terms of $500 Million Revolver

BY DAVID HOLLEY

Comstock Resources is seeking to lower the interest rate and expand the size of its $500 million revolving line of credit in the fourth quarter.

The oil and gas producer may be able to reduce the borrowing cost on the loan by as much as 0.25 percentage point, according to **Roland Burns**, chief financial officer of the Frisco, Texas-based company. The debt, which matures in 2015, currently pays 1.75 percentage points over Libor, according to data compiled by Bloomberg.

Comstock plans to use $264 million of available cash and proceeds from the revolver to redeem $297.7 million of 8.375 percent bonds due October 2017, Burns said. Those securities will be callable at 104.2 cents on the dollar as of Oct. 15, Bloomberg data show.

"We've just been waiting for the call date," Burns said in an Aug. 27 telephone interview. "What's next on the agenda is to put a new facility in and lower our pricing. It's a real strong market in our area with secured, volume-based lending."

Comstock's bank group led by **Bank of Montreal** may increase the revolver by $100 million after the company repays the bonds, according to **Gary Guyton**, director of planning and investor relations at the company.

The company had $883.3 million of obligations as of June 30, according to an Aug. 5 regulatory filing. Redemption of the notes would bring the ratio of Comstock's debt to Ebitda below 2 times from 3.7 times, Burns said.

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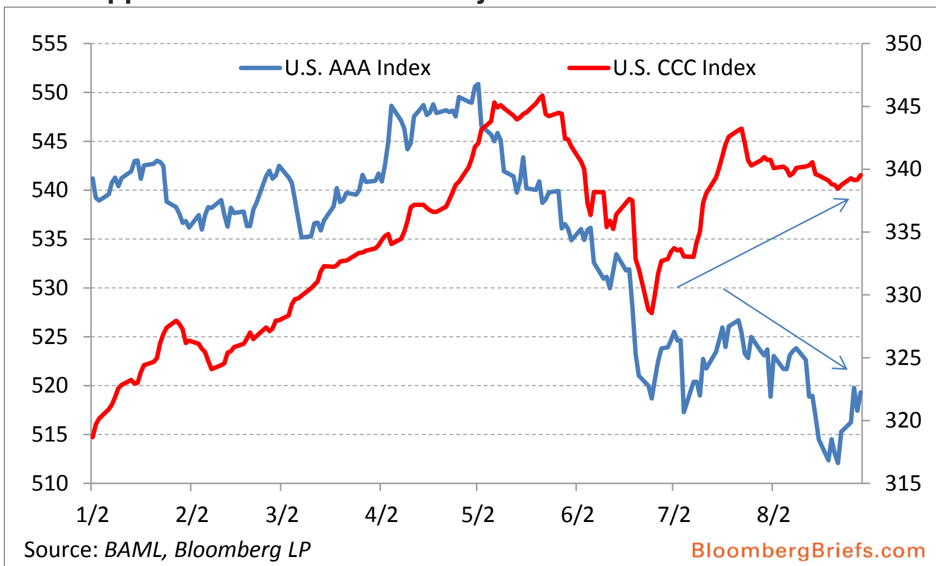
Risk Flipped as CCCs Beat AAAs by Most Since 2009



Bonds ranked CCC or lower have gained 7.1 percent this year, compared with a 5 percent loss for AAA rated debt, according to BAML index data. This is only the third year since at least 1996 in which the lowest-graded debt produced gains while top-rated bonds lost, the data show.

WEEK AHEAD

BANK MEETINGS
Sept. 4: **PRA Holdings** $885 million in term loans; **Miller Heiman** $233 million six-year priced at 99 with a 475 basis point margin and 1 percent Libor floor.
Sept 6: Campbell Europe 320 million euros in senior loans
See Table, Page 9.

JARDEN
Sept. 3: Barclays Back-to-School Consumer Conference

CONSTELLATION, PINNACLE FOODS
Sept. 4: Barclays Back-to-School Consumer

ADVANCED MICRO DEVICES
Sept. 4: Avondale Technology Conference

FREESCALE SEMICONDUCTOR
Sept. 4: Brean Capital Tech Conference

QUIKSILVER:
Sept. 5: Q3 Earnings (Est. 0.042 EPS)

INSIDE

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QUOTE OF THE WEEK

"People have been forced into accepting that lower credit quality is the new norm."

— Robert Smith, chief investment officer at Sage Advisory, which oversees about $10.5 billion

MARKET NEWS

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Cumulus Media May Refinance $785 Million Term Loan

Cumulus Media, the radio operator whose rating was cut in April by Moody's, may refinance a $785 million second-lien term loan in September. The U.S. broadcaster will seek to buy back the obligation if it can get an attractive interest rate, according to **J.P. Hannan**, chief financial officer at the Atlanta-based company.

Cumulus will be able to call the debt at 102 cents on the dollar starting Sept. 16, down from the current 103 cents, according to data compiled by Bloomberg. The loan, issued in 2011 to finance the acquisition of **Citadel Broadcasting**, pays the higher of 600 basis points over Libor or 7.5 percent, Bloomberg data show. Libor was set at 0.26 percentage points, or 26 basis points, on Aug. 29.

"As that drops, it gets more attractive," Hannan said in a telephone interview Aug. 27. "It all depends on the market. We'll know more about what the Fed is doing at that point."

Cumulus is more likely to refinance the second-lien debt with loans instead of bonds because the loan market "has been much hotter of late, as people want to be in more variable interest rates," Hannan said. "We have no need to go back to the market. It's all upside for us."

By the end of 2015, Cumulus may be able to reduce leverage to less than five times debt to Ebitda, Hannan said. Its current ratio is 5.6 times.

Cumulus had $2.7 billion in total debt as of June 30, according to a July 30 regulatory filing. The second-lien loan, which was arranged by **JPMorgan**, was quoted at 102.4 cents Aug. 28, Bloomberg prices show.

Moody's reduced Cumulus's rating to B2 from B1, citing a slow pace of debt repayment and delevering, according to an April 1 report.

— David Holley

Pacific Equity Seeks Spotless Refinancing for Payout

Pacific Equity Partners, the Australian buyout firm, seeks to raise funds in the U.S. loan market to refinance debt used to buy **Spotless** and pay itself a dividend. A successful Spotless deal in the U.S. would be the third time the buyout firm has approached the high-yield market for funds to refinance one of its companies, and the second time to tap the U.S. Term Loan B market to help pay itself a cash dividend this year.

PEP last year funded its Spotless buyout with a A$686 million five-year leveraged facility that paid 13 lenders as much as 475 basis points over the bank bill swap rate. **Deutsche Bank** is one of the banks arranging the Spotless deal in the U.S.

The plans come as Pacific Equity taps institutional investors globally for as much as A$3.5 billion ($3.1 billion) in capital to acquire assets, and negotiates a refinancing deal

DEAL WATCH

- **Activision Blizzard** starts a roadshow Sept. 4 for $2.5 billion in bonds, including $1 billion of eight-year senior notes and $500 million of 10-year senior notes. It is expected to price mid-next week. Proceeds will be used to finance Vivendi stock purchase transactions.
- **Jarden** agreed to acquire **Yankee Candle** for $1.75 billion. Jarden will use cash to buy the company from a fund managed by **Madison Dearborn Partners**.
- **Akorn**, a maker of generic eye-care products, obtained $675 million of financing commitments backing its purchase of **Hi-Tech Pharmacal**. The credit pact consists of a $600 million term loan and a $75 million revolving credit line, according to a regulatory filing today. **JPMorgan** is providing the debt commitments. The seven-year term loan will help fund the merger, while the five-year revolver will be used for general corporate purposes.
- **Aker Solutions**, the Norwegian oil services company, is considering refinancing more than 2 billion kroner ($333 million) earlier than planned to tap into a bond boom. "We're experiencing a good bond market right now," CFO **Leif Borge** said in an interview. "You should go to the market when the market is good, not sit and wait until you need the money."

Bloomberg Brief Leveraged Finance

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MARKET NEWS

Continued from page 2

with local banks for **Peters Ice Cream**, another of its portfolio companies. A local dividend recapitalization for Peters is expected to include mezzanine debt.

The company has secured more than $2 billion of funds since Dec. 31 to refinance its portfolio investments, which also include **Griffin's Foods, American Stock Transfer & Trust, Link Group** and **Hoyts Cinemas Group**, Bloomberg-compiled data show.

In July, Griffin's Foods, a New Zealand biscuits maker, borrowed more than five times its earnings locally to partly pay PEP a cash dividend. That deal was PEP's second dividend recapitalization in as many months. It in June arranged A$710 million in loans to refinance its Link Group investment, of which part was also slated for a dividend payout.

— Paulina Duran

Delta Seeks to Reduce Debt to Lowest Level Since 2007

Delta Air Lines, the world's second-largest carrier, is seeking to reduce its net obligations to the lowest level since it completed a bankruptcy reorganization in April 2007.

The airline is planning to cut adjusted net debt to $7 billion from $10.2 billion by 2017 by paying down maturing debt, retiring securities early and purchasing its aircraft off lease, according to **Trebor Banstetter**, a spokesman at the Atlanta-based company. That would be the lowest since its bankruptcy, he said.

Delta wants to repay the "highest-yielding opportunities in our debt structure," Banstetter wrote.

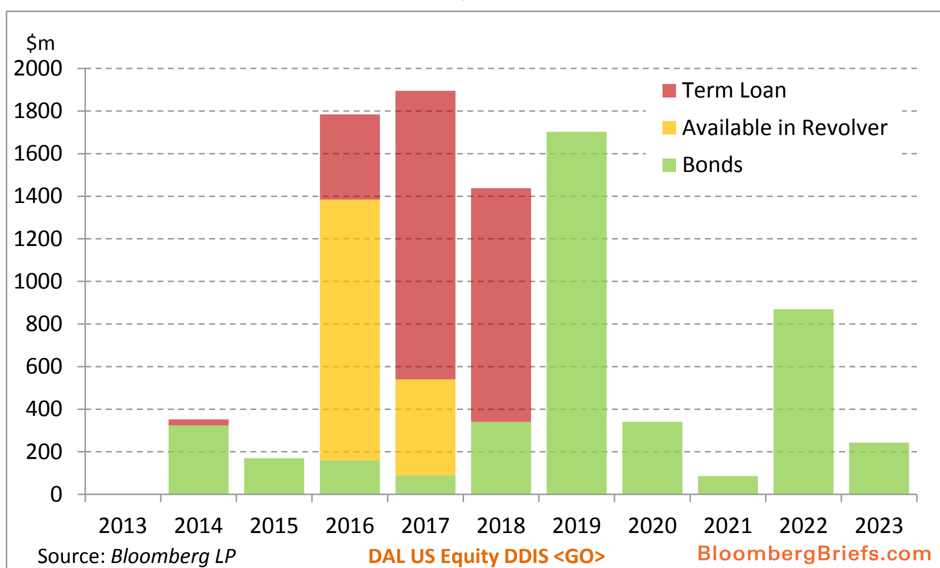
Delta's $59 million of 9.75 percent sinkable notes due 2016 are its highest-coupon actively traded bond, according to data compiled by Bloomberg. The notes were quoted at 110.375 cents on the dollar to yield 6.3 percent Aug. 28, Bloomberg data show.

The company's $621.9 million of 6.821 percent first-lien pass-through certificates due 2022, traded at 114.1 cents on the dollar Aug. 26 to yield 4.87 percent, according to Trace.

United Continental Holdings is the largest carrier.

— David Holley

Delta Loan Maturities Peak in 2017, Bonds in 2019



ON THE MOVE

■ **Mark Walsh** will join **Credit Suisse** in November as a managing director in its EMEA leveraged finance and sponsors group. Walsh will be based in London and report to **Mathew Cestar** and **Didier Denat.** Walsh was **Morgan Stanley**'s head of European high yield syndicate and co-head of European leveraged finance and acquisition finance. He joined Morgan Stanley in 2005 from CSFB.

■ **GoldenTree Asset Management** hired **Brian Marshall** for business development focused on structured products. Marshall joined as a managing director in New York, said **Thomas Humphrey,** head of business development at the firm, and to whom Marshall reports. He was previously a managing director in structured-credit products at **Barclays**, where he focused on structured-finance transactions and restructuring across the U.S. and European fixed-income markets. He began his career at **Lehman**. GoldenTree was the 13th largest CLO manager in the U.S. by assets with $5.5 billion as of December 2012, according to **S&P**.

■ **Oleg Melentyev**, who is departing **Bank of America**, will join **Deutsche Bank** as head of U.S. credit strategy in New York. Melentyev will report to **Dominic Konstam**, global head of rates research. "Oleg will play a critical role in supporting Deutsche Bank's U.S. credit research, supporting our ongoing commitment to the sector," Konstam said.

■ **Alcatel-Lucent** named former **Goldman Sachs** banker **Jean Raby** as chief financial and legal officer as part of the networking-equipment maker's reorganization. Raby, who was a partner and managing director at Goldman's investment-banking division until last year, will start in the new role next month and move to Paris. He will take on responsibilities left by outgoing CFO **Paul Tufano**.

VERBATIM

■ **Brown Shoe**: "Net interest expense of $5.1 million was down 8.2 percent in the quarter, due to a reduction in overall debt. We ended the quarter with $23 million of borrowings under our revolving credit agreement, a reduction of $82 million from the end of the fourth quarter 2012. And at quarter end, our revolving credit agreement had $498 million of additional availability. Our debt-to-capital ratio improved to 34.2 percent, from 43.6 percent in the second quarter of 2012."

— Russell Hammer, CFO, said during a Q2 2013 earnings call Aug. 27

■ **Service Corp International**: "We were able to get the financing for this transaction in place very quickly. Last month, we issued $425 million of 5.375 percent notes. These are sitting in escrow and we wanted to go ahead and take advantage of the financing environment back then because, even since then, the 10-year Treasury has grown by about 50, 55 basis points. So we're happy with that. We also completed a new $1.1 billion credit agreement, which consists of a $600 million term loan and a $500 million credit facility. Blended interest rate on this acquisition, assuming funded revolver and term loan, is right around 4 percent... We've got strong liquidity and financial flexibility with a favorable debt maturity profile."

— Aaron Foley, assistant treasurer, said during the Three Part Advisors Midwest IDEAS Investor Conference Aug. 27.

■ **Goodyear Tire & Rubber**: "Once the hourly plans are fully funded, we'll change the asset allocation to substantially all fixed income securities. This shift in allocation is designed to ensure asset returns offset any future impact of discount rates on the plan's unfunded status. Funding for these plans is expected to come from a combination of cash and debt financing. The timing of the funding is yet to be determined and will depend on the interest rate environment and other factors… the combination of debt or debt and cash, is going to depend on a lot of factors and including the timing of the funding. I will say that one of the things that we'll address at our Investor Meeting on September 20 is going to be our capital allocation plans going forward… we have four years available under the contract to make the funding. But we remain focused on eliminating that volatility… what we've been working our way toward is a two and a half times leverage ratio calculated as debt plus unfunded pension to Ebitda plus pension expense."

— Darren Wells, CFO, said during a business update call Aug. 27

■ **Oshkosh Corp**: "We're applying a disciplined capital allocation strategy. We've paid down a significant amount of debt. And as I mentioned earlier, we're well into a $300 million share repurchase program. We spent over $170 million and repurchased about 5.4 million shares of our stock."

— Patrick Davidson, vice president of investor relations, said during the Three Part Advisors Midwest IDEAS Investor Conference Aug. 27

> "*We have half of Wall Street knocking on [our] door everyday to lend us money.*"
>
> *— Laurans Mendelson, HEICO CEO*

■ **Zale**: "As of July 31, 2013, the company had total outstanding debt of $410 million, down $43 million compared to $453 million as of July 31, 2012. In addition to the term loan of $80 million, long-term debt includes $327 million borrowed under the revolving credit facility and $3 million of capital leases. The overall decrease in debt year-over-year was due in part to the $38 million commencement payment the company received as a result of the recent agreement with Alliance Data Systems. This payment enabled the company to achieve positive cash flow for the year, therefore, lowering our year-end debt despite the investment made during the year in inventory. As of the end of the quarter, the company's total net revolver availability was $242 million. Our fixed charge coverage ratio stood at 2.7, which is significantly above the key threshold of 1.0. Interest expense for the year was $23 million compared to $45 million in the prior year. The $22 million decrease in interest expense is a result of the debt refinancing completed in July 2012. On the lower cost associated with the interest rate moving from fixed to floating is something that we are studying quite significantly right now with our financial advisors, and not ready to talk about right now, but it is something that we're taking a hard look at."

— Thomas Haubenstricker, CFO, said during a fourth-quarter 2013 earnings call Aug. 28

■ **HEICO**: "Net debt to shareholders equity was 44 percent as of July 31, 2012 and net debt of $306.8 million [was] principally incurred to fund acquisitions as well as the payment of the one-time special and extraordinary cash dividend, which totaled $116.6 million... Our trailing 12-month leverage ratio was 1.47 times as of July 31, 2012. The leverage ratio we define as net debt to Ebitda. We have no significant debt maturities until fiscal 2018 and we plan to utilize our financial flexibility to aggressively pursue other high-quality acquisition opportunities… We we continue to use all of our cash flow to reduce debt. And that has really nothing to do with our appetite for acquisition, and we have a wonderful bank line, a wonderful group of banks. We also have half of Wall Street knocking on [our] door every day to lend us money, give us money, sell stock. So, we have no capital constraint, and we are looking at many acquisitions. But we're, as you know, we're quite disciplined, and we're not going to pay crazy prices. And we want to make sure that these acquisitions are accretive really in the first 12 months of acquisition, so we're going to do both. And as you know – as I mentioned, our Ebitda to debt is less than 1.5x, so we just have plenty of firepower and total flexibility. So we are doing both very aggressively. I would be comfortable under, in some cases, at 4 times. But it all depends on what we're buying, what the cash flow looks like. We want to make sure that what we buy, what we've

VERBATIM…

leveraged to buy has to have a very, very strong likelihood of being able to pay back the debt relatively quickly."

— Laurans Mendelson, CEO and chairman, said during a third-quarter 2013 earnings call Aug. 28.

■ **Casella Waste Systems**: "We don't have any debt maturities until our next major debt maturities in March of 2016 which is our senior secured credit facility. And then after that our next major debt maturity is in February of 2019 which is our senior secured – senior subordinated notes. So, we've done a great job putting runway in front of us, and as a team we're very focused on improving free cash flow and beginning to repay debt. At the senior secured level, we ended the quarter levered at 1.8 times and to the revolver where we're levered at roughly 1.4 times. So, we don't see there being any problem refinancing the senior secured credit facility in two years. And we would look to do that in spring of 2015. But we have our heads down for the next two years, driving on operating results and getting free cash flow up… We are estimating our total debt to Ebitda for the quarter to be 5.20 times against the 5.85 times covenant. And senior funded debt at 1.83 times against the 2.50 covenant. So, we've actually gotten quite a bit of headroom against covenants, both with the amendment we saw last quarter and the improved performance."

— Edmond Coletta, CFO and treasurer, said during a first-quarter 2014 earnings call Aug. 29.

■ **Casella Waste Systems**: "As we all know there's two parts of the equation for leverage, and one is Ebitda and the other is debt. We have given ourselves a lot of runway on the debt. And our primary focus is improving the Ebitda and getting it back to where it should be. And so … there is not a lot of pressure on the debt side as opposed to improving the performance."

— John Casella, chairman and CEO, said during a first-quarter 2014 earnings call Aug. 29.

■ **Shiloh Industries**: "Interest expense for the third quarter of 2013 and 2012 was $700,000 and $400,000 respectively. Our average debt borrowings increased in December 2012 and forward with the successful completion of our current year announced acquisitions. The amendment executed with our syndication of banks in December 2012, reduced our overall borrowing costs, improving our competitiveness and ability to reinvest in our business and growth opportunities. Year-to-date, interest expense is $1.7 million, compared to $1.2 million for the first nine months of last year. Liquidity remained high at July 31, 2013 with over $90 million of liquidity under our committed line with our banks. The leverage ratio for the quarter calculated as debt divided by trailing 12 months Ebitda was 1.52 times."

— Thomas Dugan, treasurer, said during a third-quarter 2013 earnings call Aug. 29.

EUROPEAN CORPORATE FOCUS

MICHAL NIEDZIELSKI, BLOOMBERG DATA ANALYST

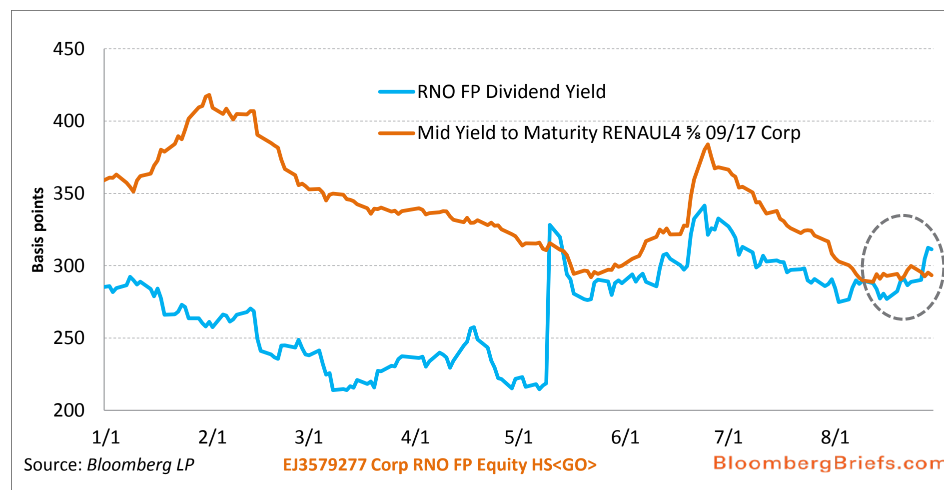
Renault Equity Price Move Highlights Debt Issuance Opportunity

Renault's dividend yield was 20.09 basis points higher than its 2017 bond mid-yield to maturity yesterday, indicating that it is cheaper for the company to issue debt than shares. The spread reached 24.45 basis points Aug. 30, the highest since the bond was sold.

The yield to maturity on the 2017 bond slipped by 0.7 percent over the last two months to 3.0 percent Sept. 2. The automaker increased its dividend to 1.72 euros per share, from 1.16 euros last year.

Renault SA announced Aug. 29 that Chief Operating Officer **Carlos Tavares**, will leave the company. The share price dropped from 55.41 euros at 10:35 (the time of the news) to 54.54 euros at 11:00 a.m. The shares closed at 54.09 euros on Sept. 2.

Dividend Yield Exceeds Bond YTM For Second Time This Year



CREDIT FOCUS

KRISTA GIOVACCO

Peabody Energy Leverage Seen Soaring in Coal Plummet

Leverage at **Peabody Energy** is poised to almost double after a 62 percent drop in prices since January 2011 and a $5.1 billion acquisition leave the largest U.S. coal producer with more capacity than it needs.

Peabody's ratio of debt to Ebitda, which was 3.3 times last year, is expected to range from 5 times to 7 times over the next 18 months, according to **Moody's**. Profitability has eroded as the company added reserves in Australia and "economic conditions" in Asia and Europe restricted demand, President and CEO **Gregory Boyce** said on a July 23 conference call with analysts and investors.

The price of metallurgical coal, used to produce steel and accounting for 27 percent of Peabody's sales, has fallen to $140.25 a ton from $365.83 on Jan. 21, 2011, according to the Coking Coal Queensland Index, squeezing profit margins at Peabody. The current metallurgical coal market of about 1 billion metric tons is oversupplied by about 15 million to 25 million tons, according to data from **Anglo American** and **Raymond James**.

"The market is recalibrating and the problems plaguing the coal industry are going to continue indefinitely; clearly into 2014 if not further," asid **Evan Mann**, a bond analyst at **GimmeCredit**. "Metallurgical coal is a big driver of profitability and leverage will creep up as Ebitda drops."

The coal miner has about $6.3 billion in debt, according to data compiled by Bloomberg. Its operating income plunged 58 percent, to $645 million for the 12 months ended June 30, compared with $1.52 billion a year prior. Ebitda declined to $1.36 billion from $2.08 billion.

Peabody has paid down more than $630 million of debt since the beginning of 2012, said **Vic Svec**, senior vice president of investor relations and corporate communications.

Moody's cut its grade on Peabody to Ba2 from Ba1 on Aug. 21 because of "prolonged weak industry conditions" for metallurgical coal prices, while S&P lowered its mark one level on Aug. 26, to an equivalent BB, citing higher leverage.

Peabody has about $1.16 billion in term loans due in 2015 and 2016 and a $1.5 billion line of credit that expires in June 2015. The loans are its first debts to mature.

The loans require earnings before interest and taxes to be at least 2.5 times interest expense and a leverage maximum of 5.5 times for 2013, according to **Fitch**, which cut Peabody to BB from BB+ on Aug. 22.

"Peabody's expected leverage metrics are not where we'd like to see a Ba1 rated company," said **Anna Zubets-Anderson**, a senior credit analyst at Moody's. "To the extent we think they might not be producing that much cash, their liquidity position is weakened; and with leverage metrics and Ebitda deterioration we're expecting, the headroom on the covenants might tighten."

Peabody has the lowest absolute and the fourth-lowest relative borrowing costs among junk-rated U.S. coal miners, **BAML** index data show. Its average yield is 6.03 percent, while its premium to U.S. Treasury bonds is 4.22 percentage points, higher only than **Foresight Energy** at 2.3 percentage points, **Cloud Peak Energy**'s 3.68-point spread and **SunCoke**'s 4.2.

Peabody's $1.34 billion of 6.25 percent bonds due in November 2021 have fallen 5.1 cents since July 22, the day before the company released second-quarter earnings, to 96.5 cents on the dollar to yield 6.8 percent, according to Trace.

"The companies that are most levered are seeing the most volatility in their bonds," Mann said. "We see similar trends and bonds weakening in companies like **Alpha Natural Resources** and **Consol**."

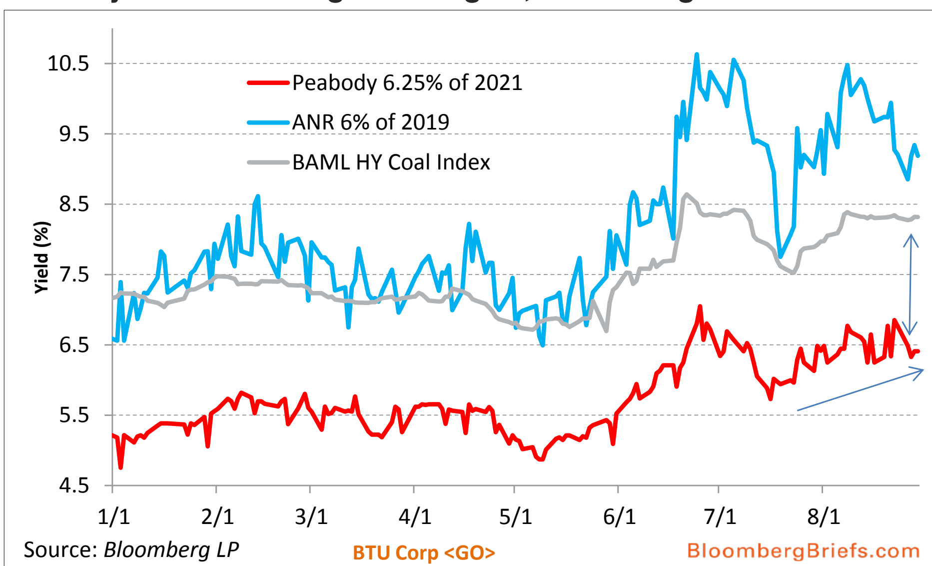
Alpha's $800 million of 6 percent bonds due in June 2019 have fallen 4.75 cents since July 22, to 85.75 cents on the dollar with a yield of 9.25 percent, according to Trace. Leverage was 3.55 on Dec. 31.

The company exported more than 50 million tons of coal in 2012 to more than 25 countries, according to Svec. More than 30 million tons of exports came from its Australian and U.S. units, with the remainder from its global trading and brokerage activities.

Raymond James is forecasting metallurgical coal prices of $150 in the fourth quarter and $160 for 2014.

"We don't think metallurgical prices that we expect in 2013 and 2014 are sustainable," Zubets-Anderson said. "Once prices improve in 2015, metrics should bounce back."

Peabody Yield Trends Higher in August; Still Trading Below Peers



Source: *Bloomberg LP*

Q&A

Junior Borrowers Set to See Better Terms, Says KeyBanc's Frawley

Low interest rates have investors looking to the junior debt market to find yield, something that could eventually tighten borrowing costs that have historically been stagnant, according to **Andrew Frawley**, managing director and head of KeyBanc Capital Markets' private capital group. Frawley's team works with borrowers as an investment bank to find lenders. He spoke with Bloomberg Brief's David Holley.

Q: What is the cost of a junior loan?

A: In most cases, the cost of debt is 9 to 10 percent all the way up to 15 percent-plus. It's a lot more expensive than senior – but a lot cheaper than equity – depending on what you have to offer, whether it be in the way of assets, or how strong your free cash flow is. Actual cash pay pricing on junior [debt] has remained remarkably consistent throughout credit cycles. It's pretty much 12 percent cash pay. Does it go to 11 in good times and 13 in bad? It can.

Q: Why is it so stable?

A: BDCs are a big part of the junior debt market because they're aggressive capital providers. They raise money and they have to put money to work. They trade off a dividend yield of 8 to 10 percent. If you add in that dividend yield, plus a little bit of overhead and expenses, you probably get into something around 12 percent. There are other components such as non-call periods or prepayment penalties where capital providers can position themselves uniquely from their peers. Where they're going to be different is maybe their industry, their ability to provide capital as the company's needs change. They can distinguish themselves on other credit terms such as prepayment periods or non-call periods.

Q: Could that fall and stay there?

A: I keep holding my breath and waiting to see if I am ever going to get a term sheet with 10 percent cash pay. It would not be earth shattering news, or not a huge change for the company that is taking on the debt.

Q: What would it take for that?

A: It would be a capital provider really anxious to bring on a credit, and wanting to distinguish themselves in a meaningful way. If you're a mezzanine fund that isn't publicly traded like a BDC and your dividend yield really isn't a concept that anyone cares about – if you really want a good credit – I always am anxious to see if rather than charging you 12 percent cash pay and 2 percent [PIK], I'm going to charge you 10 percent cash pay and 5 percent PIK. I'm taking a little more risk by deferring some of my interest expense, but I'm going to up your PIK by a point.

Q: Could that happen soon?

A: It is as competitive as I have ever seen it for quality junior capital opportunities. If pricing competition doesn't happen at this point, I don't know if it ever will. I'm surprised I haven't seen it already.

Q: What's making it so competitive?

A: Lenders are very anxious for yield and have turned to these junior capital markets where yield is still available. As they have focused on it more, lenders have raised increasingly larger funds. That necessitates putting more dollars to work per transaction.

Q: Deals are getting larger?

A: Junior debt funds are getting larger. They're looking to put more capital to work in transactions. Historically this would have been a market concentrated in companies with Ebitda of sub-$20 million, sub $10-15 million. This type of capital is becoming an increasingly attractive alternative to larger companies. Debt providers seeking to place at least $25 million per investment have almost tripled in two years.

Q: Are borrowers getting better terms?

A: They are. As this market is evolving, and moving upstream and away from sub-$10 million businesses to $10 to $25 million, and north of $25 million you have savvier borrowers, a high level of competition to capital. I would look for the junior debt markets to continue to evolve into increasingly sophisticated and competitive markets. I would expect all else being equal for pricing and terms to improve for borrowers.

Q: What is the typical maturity of this junior debt? Has that changed?

A: Since it's junior, it matures at least six to 12 months after the senior debt matures. This has been consistent for many years. Investment periods are typically five to seven years – relatively consistent with equity investment periods.

Q: How is this type of lending different than it was two years ago?

A: The primary difference is use of proceeds. Two years ago, many deals were restructuring related. Today, most junior debt transactions are using proceeds for growth – new lines of business, acquisitions.

Q: What's the reaction been among lenders to your quarterly loan survey?

A: I do hear from some junior capital providers that they don't want to complete the survey. They're like "Yeah, I really enjoy the newsletter you put out, but I'm not going to participate because it's decreasing the imperfection in the market that I rely on."

AT A GLANCE

Favorite city: Rome

If you had a different career: I would like to own a plant nursery

Hobbies: Playing squash with my family

If you could live in another city it would be: Rome

Favorite band: The Allman Brothers Band

Favorite film: The Mission

GUEST COMMENTARY BY MICHAEL FRIEDMAN

Israel: The Next Big Distressed M&A Opportunity?

The market for distressed investment opportunities in the U.S. has shrunk considerably over the last few years. As a result, U.S. hedge funds have looked to Europe, but they have been disappointed by the minimal and highly selective opportunities.

Michael Friedman

It's time for investors to look at Israel, which is experiencing an upswing in distressed opportunities in many areas including real estate, telecoms, the financial sector, medical technology, retail and hospitality. This upswing is due to Israel's economic climate, regulatory restructuring, and the unique capital structure of many of its companies. The market for distressed M&A in Israel is beginning to resemble that of the U.S. in the late 1980s, when investors had no trouble finding solid companies with a need to restructure bad balance sheets.

The Israeli economy is not in distress. In fact, the country has continued on a pace of steady growth since 2010. These conditions support a quicker turnaround for companies that are able to restructure. In addition, the capital structure of Israeli companies is being redefined, resulting in unique new opportunities for investors.

Many of Israel's largest companies are part of a pyramid in which the operating companies at the bottom are owned by multiple layers of holding companies ultimately controlled by a tycoon.

These tycoons have, until recently, had an easy time borrowing funds and overleveraging their companies by issuing multiple layers of public bonds at the parent or intermediate holding company level. Many Israeli companies now experiencing distress are otherwise healthy, but their holding entities are saddled with bad balance sheets as a result of public bonds issued at the holding company level.

When restructuring was needed, it typically involved bondholders agreeing to a haircut as part of an agreement in which the tycoon retained control of the equity of the combined enterprise.

There are signs that this is changing. The public and politicians have begun to protest restructurings in which bondholders – including institutions investing public pensions and retirement funds – take significant haircuts while tycoons get control of companies at an unfair price.

In addition, the Israeli Ministry of Finance intends to implement new rules prohibiting banks and institutions from concentrating too many investments in companies held by a tycoon under a single holding company.

These rules – which were recommended by the Hodak Committee, tasked by the Israeli Finance Minister to determine whether and how to regulate institutional investors – are intended to limit an institutional investor's ability to invest in a single group of related companies.

The new rules will severely restrict the ability of many existing companies to raise new funds through bond issuance. They will also favor direct investment by distressed funds in lieu of raising capital from public markets. And the new rules require the appointment of an examiner to review the terms of any proposed restructuring involving public bonds.

Meanwhile, Israel's judiciary system – based on Western legal principles of applying legal precedent and recognition of secured creditor rights – should provide confidence that existing rights and remedies can be transferred from original holders and will be enforced in Israeli courts with some predictability. Although Israel does not have a bankruptcy code, many of the basic principles of U.S.-style Chapter 11 reorganizations are being applied through common law precedent.

These policy changes – coupled with Israel's growing economy and predictable judicial system – create new opportunities for distressed investors with capital and management expertise who have a demonstrated ability to execute successful corporate turnarounds.

However, with opportunity comes risk.

First, banks and institutions have shown a reluctance to sell distressed loans.

Second, institutional investors have been very wary of converting distressed loans to equity and have attributed little value to the reorganized companies' shares. As a result, some restructurings have left reorganized companies with too much debt, hampering their chances for successful reorganization.

Finally, while the Israeli judiciary is slowly adopting western reorganizational principles, there is still little precedent and experience in applying these new principles.

Although the distressed market in Israel is relatively unexplored, a few U.S. hedge funds have recently dipped their toes in. In the fourth quarter of 2012, York Capital Management purchased a significant stake of bonds issued by IDB Group, a collection of Israeli holding companies with operating assets in diverse sectors.

Although ongoing, the restructuring of IDB Group will likely encompass some form of equity control transfer to bondholders unless bondholders are repaid, and may very well set a precedent for future debt transactions in the country.

Similarly, two U.S. hedge funds recently purchased public bonds issued by Elbit Imaging, a group of holding companies with operating assets in the real estate, retail and medical technology sectors. The firm is in the process of negotiating a restructuring involving a significant conversion of bonds into equity of Elbit Imaging.

Overleveraged companies in Israel now face an evolving and inhospitable regulatory environment, an angry public that is demanding accountability and fairness in restructurings and limited access to Israeli institutional investor capital. All of this appears to set the stage for significant new opportunities for U.S. hedge funds ready to overcome the challenges and purchase solid and performing companies in need of balance sheet restructurings.

Michael Friedman, a partner with Richards Kibbe & Orbe LLP in New York, specializes in bankruptcy and restructuring transactions. He represents hedge funds, investment banks and financial institutions in connection with event driven investment, financing and acquisition transactions.

LOANS

U.S. Leveraged Loan September Pipeline

ISSUER	SIZE (M)	BANK MEETING	NOTES
Miller Heiman	$273	Sept. 4	Six-year loan priced at 99 with a 475 basis point margin and 1 percent Libor floor, 101 soft call for six months. Providence Equity is sponsor. GE/BMO are bookrunners.
PRA Holdings	$885	Sept. 4	Includes $825 million first lien seven-year term loan, $125 million five-year revolver. The sponsor is KKR. Proceeds will fund the acquisition of PRA and RPS. Bookrunners are UBS, Jefferies, Credit Suisse, KKR and Citi.
Nine Entertainment	A$200	Sept. 4 (Lender Call)	Add on term loan B due 2020 for M&A, margin is 275 basis points over Libor, with a 0.75 percent floor. UBS is the lead.
Pinnacle	$525	Sept. 4 (Lender Call)	Bookrunners: BAML, Barclays, Credit Suisse, MStanley, UBS, Macquarie. Acquisition of Wish-Bone from Unilever.
Pitney Bowes	$365	Sept. 4	Includes $215 million six-year term loan with 101 soft call protection and $100 million seven-year second-lien tranche.
Campbell Europe	EUR320	Sept 6	CVC to purchase some of Campbell Soup's European businesses. Arrangers are BNP, Fortis, ING, Rabobank.
Quikrete	$1,620	Sept. 10	Includes a $200 million ABL RC, a $1.23 billion TLB and a $190 million second lien term loan. Price talk is 450 basis points over Libor. Proceeds will be used to fund the acquisition of of Custom Building Products. The bookrunner is Wells.
Perrigo	-	-	Filed S-4 in connection with proposed Elan acquisition, valued at $8.6 billion
Akorn	$600	-	Acquisition of Hi-Tech Pharmacal. Includes a $600 million term loan and a $75 million revolver.
TMS	-	-	Acquisition by Pritzker for $690 million. Debt committed by Goldman Sachs and JPMorgan.
Intuit Financial	-	-	Thoma Bravo acquisition of Intuit Financial Services.
Steinway	-	-	Acquisition by Paulson & Co. A $360 million bank loan commitment is from BAML and Deutsche Bank.
Hudson Bay	-	-	Acquisition of Saks. A $1.9 billion bank loan was committed by BAML and RBC.
Tenet	-	-	Acquisition of Vanguard. A $1.8 billion term loan and $2.8 billion unsecured bridge were committed by BAML.

Source: *Bloomberg LP*

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U.S. LEVERAGED LOAN INDEX RETURNS BY SECTOR

BLOOMBERG DATA

The leveraged loan market has regained some of its footing, with the JPMorgan Leveraged Loan Index gaining 4 basis points for the week ended August 29. Housing was once again the worst performing industry, losing 70 basis points on the week, following weaker than expected new home and pending home sales data releases. Metals and mining did best, though it is still the worst performing sector the year-to-date.

— Spencer Cutter, Bloomberg Data Analyst

JPMorgan Leveraged Institutional Loan Index-Sector Returns and Characteristics

August 29, 2013

SECTOR	JP MORGAN TICKER	STW (BP)	YTW (%)	TOTAL RETURN, % [1,2]			
				1 WEEK	1M	3M	YTD
Automotive	JLLIAUTO	369.92	5.05	0.10	0.01	0.35	3.07
Broadcast	JLLIBRDC	544.71	7.13	0.13	0.40	0.80	8.64
Cable/Satellit	JLLICBLE	304.04	4.97	0.06	0.06	0.54	1.98
Chemicals	JLLICHEM	374.93	5.35	0.03	0.01	0.32	2.38
Consumer Prod.	JLLIPROD	417.65	6.00	-0.09	-0.21	0.39	3.62
Diverse Media	JLLIDVMD	510.13	6.65	0.16	-0.26	-0.25	4.13
Energy	JLLIENER	497.79	6.56	-0.04	0.21	0.39	3.55
Financial	JLLIFINL	459.60	6.21	0.08	0.19	0.71	3.53
Food & Bev	JLLIFDBV	337.07	5.25	0.09	0.08	0.60	2.81
Gaming/Leisure	JLLIGAME	411.41	5.91	0.00	0.16	0.43	3.23
Healthcare	JLLIHLTH	384.74	5.40	0.15	0.25	0.67	2.86
Housing	JLLIHOUS	426.47	6.19	-0.70	-1.38	-1.01	0.71
Industrials	JLLIINDU	374.90	5.54	-0.03	-0.08	0.42	2.55
Metals/Mining	JLLIMETL	451.05	6.00	0.34	-0.28	-0.28	2.15
Paper & Pack	JLLIPAPR	366.75	5.35	0.01	-0.02	0.54	2.61
Retail	JLLIRETL	401.64	5.72	0.04	0.12	0.45	3.01
Services	JLLISERV	469.61	6.32	-0.06	0.14	0.29	3.57
Technology	JLLITECH	425.80	6.02	0.13	0.05	0.47	3.65
Telecom	JLLITLCM	382.54	5.74	0.03	0.38	0.82	2.99
Transportation	JLLITRAN	411.03	5.69	0.01	-0.28	0.27	4.48
Utility	JLLIUTIL	1,135.29	12.96	-0.19	-1.55	-2.69	3.27
1L Leveraged Loans	JLLILLI	448.78	138.77	0.04	-0.01	0.27	3.27
2L Leveraged Loans	J2LILLI	923.46	11.05	0.18	0.54	0.97	6.91
Loan Only	JLLILNOY	457.23	6.32	-0.01	0.16	0.49	3.72
Loan & Bond	JLLILNBD	443.33	6.07	0.07	-0.12	0.14	3.00
Libor Floor	JLLILFLR	409.35	5.86	0.04	0.04	0.45	3.02
No Libor Floor	JLLINLFL	662.10	7.86	-0.01	-0.33	-0.53	3.80
Cov-Lite	JLLICOVL	379.72	5.66	0.06	-0.09	0.37	2.71
Not Cov-Lite	JLLINCVL	489.09	6.47	0.03	0.03	0.22	3.48
Domestic	JLLIUS	451.98	6.20	0.03	-0.02	0.24	3.26
International	JLLIINTL	411.62	5.87	0.20	0.11	0.75	3.37
BB	JLLIBB	315.00	4.88	0.06	-0.02	0.39	2.22
Split BB	JLLISBB	376.69	5.48	0.03	0.08	0.46	2.88
B	JLLIB	461.66	6.32	0.05	0.08	0.54	3.85
Split B	JLLISBCC	1,408.60	15.38	-0.18	-1.43	-3.35	4.35
Not rated	JLLINR	633.92	7.80	-0.01	0.32	0.68	5.32
US LEVERAGED LOAN INDEX	**JLLILLI**	**448.78**	**138.77**	**0.04**	**-0.01**	**0.27**	**3.27**

Source: *JPMorgan Leveraged Loan Indices*

Notes:

1)Monthly and YTD performance data represents periods up to the current date.

2)Green/red color coding represents performance ranking of the top/bottom three sectors in the period.

JLLI INDEX <GO>

COST OF CREDIT — BOND MARKET

The tables below show a sampling of benchmark high-yield bonds, grouped by industry, with price changes.*

TECHNOLOGY

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	CURRENT YIELD TO WORST	YTW 1M AVG LAST
ADV MICRO	7.750	08/01/20	B2|B	97.563	0.875	7.747	
FIRST DATA	12.625	01/15/21	Caa1|B-	108.250	0.312	10.741	
FREESCALE	9.250	04/15/18	B1|B	108.063	0.063	3.330	
NXP FUNDING	9.750	08/01/18	B1|BB-	111.313	0.000	2.379	
SEAGATE HDD	7.750	12/15/18	Ba1|BB+	110.563	0.375	2.905	
SUNGARD	7.625	11/15/20	Caa1|B	107.188	0.438	5.595	

POWER/UTILITIES

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
AES CORP	8.000	06/01/20	Ba3|BB-	113.563	-0.062	5.525	
CALPINE CORP.	7.500	02/15/21	B1|BB-	106.125	0.062	6.070	
ENERGY FUTURE	10.000	12/01/20	B3|B-	105.375	0.062	8.665	
GENON ENERGY	9.875	10/15/20	B2|B	111.500	-0.500	6.195	
NRG ENERGY	8.250	09/01/20	B1|BB-	109.813	0.563	5.754	
AES CORP.	7.375	07/01/21	Ba3|BB-	109.250	0.312	6.037	

ENERGY

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
BASIC ENERGY	7.750	02/15/19	B2|B+	101.500	-0.188	7.053	
CHESAPEAKE	6.125	02/15/21	Ba3|BB-	104.000	0.312	5.523	
KINDER MRGN	6.000	01/15/18	Ba2|BB	107.688	-0.312	4.056	
LINN ENERGY	7.750	02/01/21	B2|B	97.250	0.250	8.162	
KODIAK OIL	8.125	12/01/19	B3|B	109.625	-0.313	5.293	
TARGA RES.	6.875	02/01/21	Ba3|BB	106.063	-0.125	5.421	
TESORO CORP.	9.750	06/01/19	Ba2|BB+	110.063	0.188	1.480	

COMMUNICATIONS

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
CEQUEL COM	6.375	09/15/20	B3|B-	99.938	0.625	6.386	
CLR CHNNL COM	9.000	03/01/21	Caa1|CCC+	95.188	0.063	9.765	
CLR CHNNL WW	7.625	11/15/22	B3|B	100.500	0.562	7.426	
CRICKET COMM.	7.750	10/15/20	Caa1|CCC+	113.813	0.813	2.789	
FRONTIER	8.250	04/15/17	Ba2|BB-	112.688	-0.062	4.597	
INTELSAT JACK.	7.250	10/15/20	B3|B	107.063	0.063	5.399	
INTELSAT LUX.	6.750	06/01/18	Caa2|CCC+	103.500	0.062	5.689	
SIRIUS XM	8.750	04/01/15	B1|BB	112.432	0.057	#VALUE!	
SPRINT	6.900	05/01/19	B1|BB-	103.125	0.250	6.170	
UNIVISION	8.500	05/15/21	Caa2|CCC+	108.188	0.875	6.275	

INDUSTRIAL

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
BOMBARDIER	7.750	03/15/20	Ba2|BB	111.500	0.125	5.620	
CASE NEW HOLL.	7.875	12/01/17	Ba2|BB+	115.063	1.063	3.884	
NORTEK INC	8.500	04/15/21	Caa1|B	108.875	-0.250	6.319	
DANA HOLDING	6.500	02/15/19	B2|BB	106.375	0.187	3.803	
GRAPHIC PACK.	4.750	04/15/21	Ba3|BB+	96.188	0.188	5.356	
PLY GEM IND.	8.250	02/15/18	B3|B	107.375	0.125	5.426	
FLORIDA EAST RR	8.125	02/01/17	B3|B-	105.688	0.438	6.190	

HEALTHCARE

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
TENET	8.000	08/01/20	B3|CCC+	104.000	0.000	6.989	
VANGUARD	8.000	02/01/18	B3|B-	105.938	0.188	2.842	
HOLOGIC	6.250	08/01/20	B2|BB	104.375	0.187	5.311	
VALEANT	6.875	12/01/18	B1|B	105.813	0.375	4.705	
BIOMET	6.500	10/01/20	B3|B-	NA	NA	NA	NA
CHS	7.125	07/15/20	B3|B	101.375	0.250	6.785	
HCA	7.500	02/15/22	B3|B-	108.438	0.625	6.264	

FINANCIAL

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
ALLY FIN.	8.300	02/12/15	B1|B+	108.250	0.500	2.577	
ALLY FIN.	8.000	11/01/31	B1|B+	115.188	0.563	6.546	
CIT GROUP	5.500	02/15/19	Ba3|BB-	102.813	-0.125	4.904	
CIT GROUP	4.750	02/15/15	Ba3|BB-	103.688	0.063	2.138	
NATL MONEY MART	10.375	12/15/16	B2|B+	105.250	-0.813	6.851	
SPRINGLEAF FIN	5.400	12/01/15	Caa1|CCC+	101.813	0.063	4.541	
CIT GROUP	4.250	08/15/17	Ba3|BB-	101.375	0.250	3.904	

BASIC MATERIALS

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
AK STEEL	7.625	05/15/20	B3|B-	83.500	-0.563	11.067	
HUNTSMAN	8.625	03/15/21	B2|B+	111.500	0.437	4.542	
CELANESE	6.625	10/15/18	Ba2|BB+	106.875	-0.063	3.162	
ASHLAND	3.875	04/15/18	Ba1|BB	98.938	-0.062	4.129	
HEXION US/NOVA	8.875	02/01/18	B3|CCC+	102.688	0.250	8.016	
NOVELIS	8.750	12/15/20	B2|B	109.313	-0.125	6.145	

CONSUMER CYCLICAL

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
CONTINENTAL	6.750	09/15/15	Ba2|BB-	103.463	0.020	3.285	
GOODYEAR	8.250	08/15/20	B1|B+	110.375	0.812	4.715	
HOVNANIAN	7.250	10/15/20	B1|B-	106.063	-0.250	5.858	
LIMITED BRND	6.900	07/15/17	Ba2|BB-	112.125	-0.125	3.439	
JC PENNEY	5.650	06/01/20	Caa2|CCC-	76.375	1.750	11.190	
MICHAELS	7.750	11/01/18	B3|B	107.750	-0.125	4.002	
NAVISTAR	8.250	11/01/21	B3|CCC	99.625	-0.063	7.980	
RITE AID	9.250	03/15/20	Caa2|CCC	113.438	0.063	5.163	
ROYAL CARIBBEAN	9.250	03/15/20	Caa2|CCC	113.438	0.063	5.163	

CONSUMER NONCYCLICAL

ISSUER	CPN (%)	MRTY	RATING	LAST PRICE	1 WK PRICE CH	LAST YIELD TO WORST	YTW 1M AVG LAST
CONSTELLATION	7.250	05/15/17	Ba1|BB+	114.375	0.125	3.214	
DEAN FOODS	7.000	06/01/16	B2|B	109.813	-0.125	3.290	
PINNACLE	4.875	05/01/21	B3|B-	92.688	0.125	6.083	
SPECTRUM	9.500	06/15/18	Ba3|BB	110.875	-1.000	3.394	
SUPERVALU	8.000	05/01/16	Caa1|B-	108.938	-0.375	4.558	
DEL MONTE	7.625	02/15/19	Caa1|CCC+	104.125	-0.250	3.494	

The black range bar indicates variation over the last month between the highest and lowest yield to worst. The purple diamond shows the monthly average. The orange dot shows the yield at 4 p.m. on July XXXX.

EURO-DENOMINATED JUNK BOND TOTAL RETURNS BY SECTOR

BLOOMBERG DATA

The JPMorgan Euro High-Yield Index gained 0.09 percent on a total return basis in the week to Aug. 30. The yield to worst gained 4 basis points to 5.91 percent. The technology, food & beverage, and automotive sectors returned most, with gains of 0.67, 0.39, and 0.38 percent, respectively. The energy and gaming/leisure sectors saw the worst results, with 1.01 and 0.33 percent losses, respectively. Emerging market debt was the worst performing rank, with a loss of 0.26 percent last week. Triple Cs outperformed single and double Bs by 10 basis points, with a return of 0.20 percent.

— Aselya Kerimkulova, Benedict Metuh, Bloomberg Data Analysts

JPMORGAN EURO HIGH YIELD INDEX-SECTOR RETURNS AND CHARACTERISTICS August 30, 2013

SECTOR	JP MORGAN TICKER	STW (BP)	YTW (%)	TOTAL RETURN, % [1,2]			
				1 WEEK	1M	3M	YTD
Automotive	CEURAUTO	381.50	4.36	0.38	1.07	0.84	5.47
Broadcast	CEURBRDC	595.00	6.16	0.16	1.13	2.21	6.88
Cable/Satellite	CEURCBLE	542.00	6.02	0.04	0.44	-0.20	4.65
Chemicals	CEURCHEM	649.00	6.96	0.10	0.23	4.10	12.15
Consumer Prod.	CEURPROD	775.00	8.25	0.19	0.27	-0.86	2.80
Diverse Media	CEURDVMD	849.00	9.19	-0.12	2.13	-1.02	-16.77
Energy	CEURENER	510.00	5.52	-1.01	-0.06	-0.30	2.91
Financial	CEURFINL	496.00	5.48	0.08	1.10	-0.57	6.46
Food & Bev	CEURFDBV	513.15	5.63	0.39	1.36	2.79	8.47
Gaming/Leisure	CEURGAME	1,543.00	15.86	-0.33	2.08	-4.97	-4.80
Healthcare	CEURHLTH	456.00	5.28	0.19	0.76	0.42	4.59
Housing	CEURHOUS	343.00	4.00	-0.05	-0.16	-0.91	3.12
Industrials	CEURINDU	478.20	5.54	0.14	0.49	0.43	5.93
Metals/Mining	CEURMETL	433.00	4.96	-0.04	1.15	-1.57	2.35
Paper & Pack	CEURPAPR	603.64	6.61	-0.01	0.45	0.08	2.94
Retail	CEURRETL	453.00	5.12	-0.15	0.13	-2.39	3.94
Services	CEURSERV	598.00	6.63	0.08	0.77	1.30	8.45
Technology	CEURTECH	532.51	6.15	0.67	2.38	4.18	9.26
Telecom	CEURTLCM	605.35	6.61	0.00	-0.17	-0.80	6.14
Transportation	CEURTRAN	710.00	7.75	-0.04	1.48	3.21	9.14
Utility	CEURUTIL	430.00	4.90	-0.05	0.36	-0.53	6.35
Senior Secured	CEURSNSC	668.00	7.25	0.19	0.84	0.77	5.09
Senior	CEURSENR	440.00	4.99	0.03	0.49	0.00	5.10
Senior Sub	CEURSNSB	608.00	6.85	0.11	1.48	1.89	11.36
Junior Sub	CEURJRSB	556.00	5.99	-0.02	0.28	-5.06	3.10
Developed	CEURDM	524.00	5.83	0.10	0.68	0.27	5.25
Emerging	CEUREM	678.00	7.31	-0.26	0.34	-0.35	5.90
BB	CEURBB	342.00	3.99	0.10	0.19	-0.45	3.71
B	CEURB	629.00	6.91	0.10	0.93	0.19	5.78
CCC	CEURCCC	985.00	10.48	0.20	1.86	1.35	7.79
Euro High Yield	**CEURHYI**	**532.00**	**5.91**	**0.09**	**0.66**	**0.25**	**5.31**

Source: *JPMorgan Bond Indices*

Notes:
1)Monthly and YTD performance data is as of last fully completed monthly period.
2)Green/red color coding represents performance ranking of the top/bottom three sectors in the period.

FIND ETFs THAT TRADE AT A 52 WEEK HIGH EQS <GO>