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US institutional market flex activity has favored issuers so far this month

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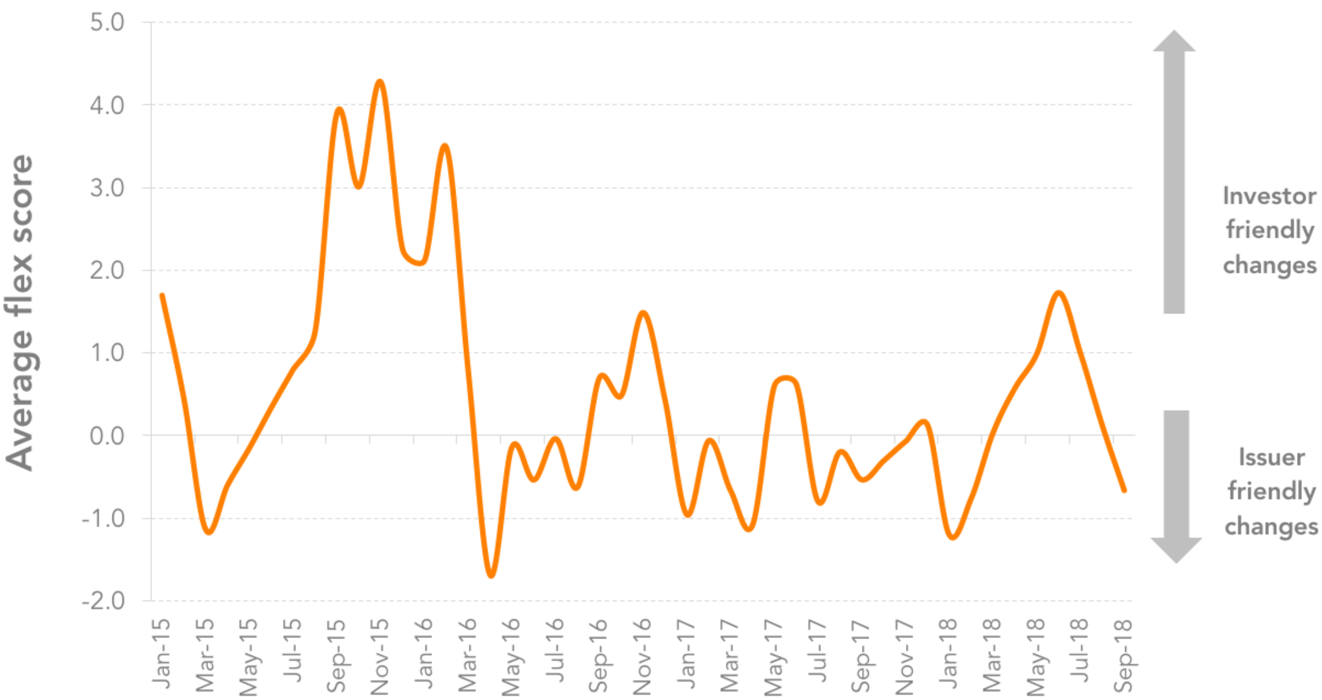

September deals in the institutional loan market have so far been well received by investors. The Flex Factor has tracked 6 flexed deals so far this month with 5 of them being in favor of issuers. This has allowed for an issuer friendly average flex score of -0.7 month-to-date. The Flex Factor aggregates price and structural flex activity on institutional loans in order to gauge investor sentiment. Last month there was some talk about how the post-Labor Day institutional loan pipeline would be received in the market given a few larger sized LBO deals would be launching. Refinitiv's jumbo LBO loan was one of the bellwether names to launch this month and that loan was oversubscribed. After some investor friendly tweaks were made on the structural side of the loan, the TLB was increased from US$8bn to US$9.25bn and pricing was cut by 25bp on both the US dollar and euro tranches. In turn, the company was able to reduce the size of the bond and save roughly US$100m in annual interest. Approximately US$25bn of institutional loans are in the pipeline including Envision Healthcare's US$5.05bn term loan backing its buyout by KKR.

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