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Privately placed second-lien issuance picks up this quarter

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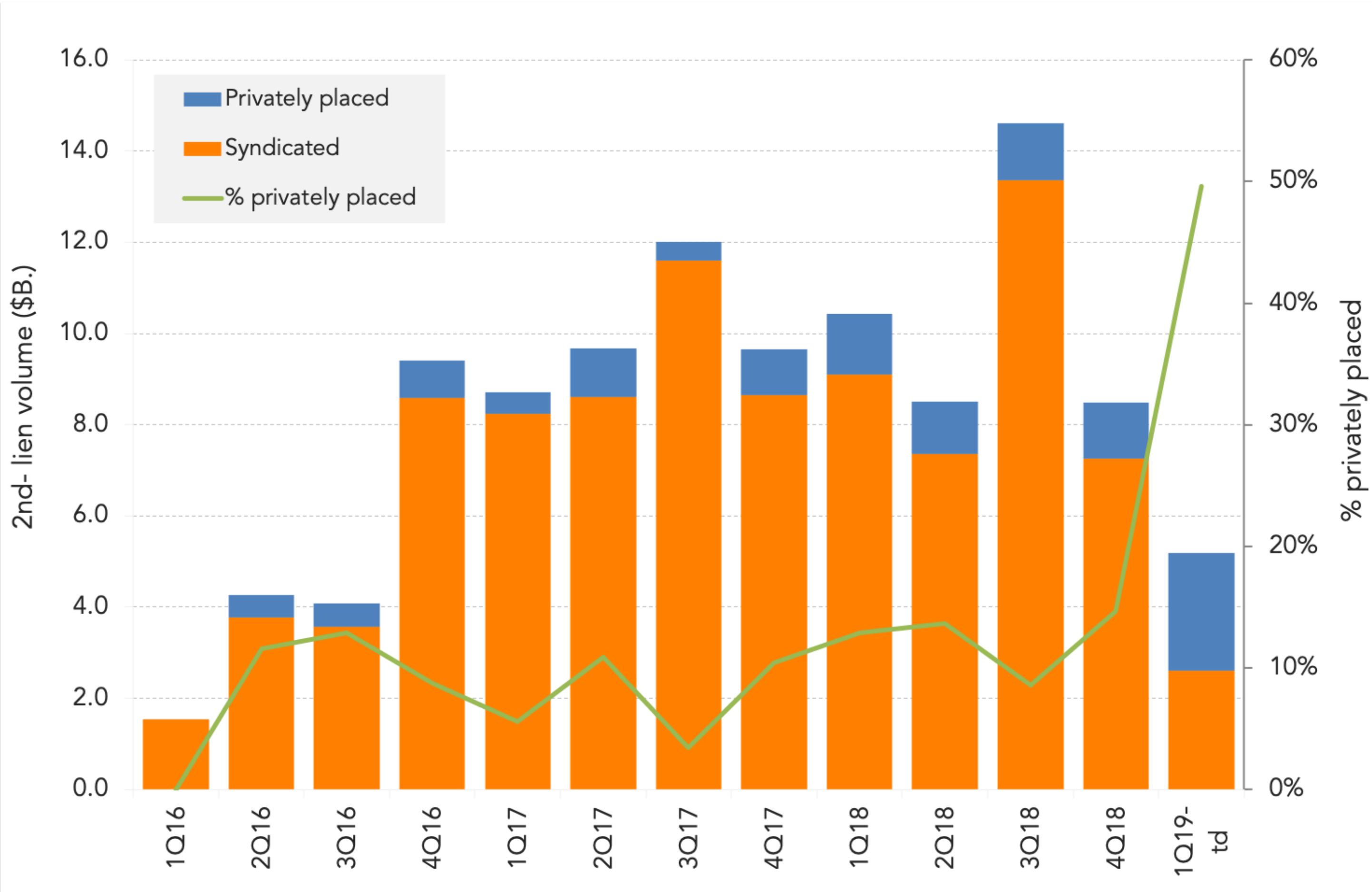

So far this quarter there is US5.2bn in completed and pipeline second-lien issuance, well below the US$8bn level it has reached the previous nine quarters. In addition, a greater share of second-lien issuance is getting privately placed. In 1Q19 there has been US$2.6bn in privately placed second-lien issuance comprising a high 50% share of overall second-lien issuance. The privately placed facilities have been larger as well, averaging US$233m this quarter, the highest on record back to 2016. Since volatility heightened in 4Q18, more lenders have been trying to lessen the impact of execution risk, leading to more privately placed second-lien loans. Most notably was the second-lien term loan as part of athenahealth's LBO financing from earlier this month. The US$4.86bn loan included an US$800m privately placed second-lien term loan, which is the largest privately placed second-lien loan on record.

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