



### Inside this issue:

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**MARKET VIEW:** As the economy continues to improve towards historical GDP growth rates, the Fed announced that it will maintain the target federal funds rate at 1.0% to 1.25%. The Federal Open Market Committee also began its largest post-recession policy shift in October to start trimming its \$4.5 trillion balance sheet; the vote supporting the policy shift was unanimous among members. Job gains, household spending, and business fixed investments have continued to expand at moderate rates, and the broader stock indices have expanded from Q2 2017 gains. Credit spreads further tightened, allowing high-yield corporate bonds to add to their year-to-date gains. Credit-quality trends continue to normalize, and loan growth, though declining slightly, remains favorable. While Consumer

Finance M&A saw a drop in closed deals, Specialty Finance M&A volume increased by 36%. Private placement activity in both sectors remained consistent with Q2 2017, which is higher than previous quarters. We expect that favorable economic trends will continue to support financing and M&A activity within specialty finance as these businesses reach scale and seek further consolidation opportunity.

## FIXED INCOME

### MARKET OBSERVATIONS:

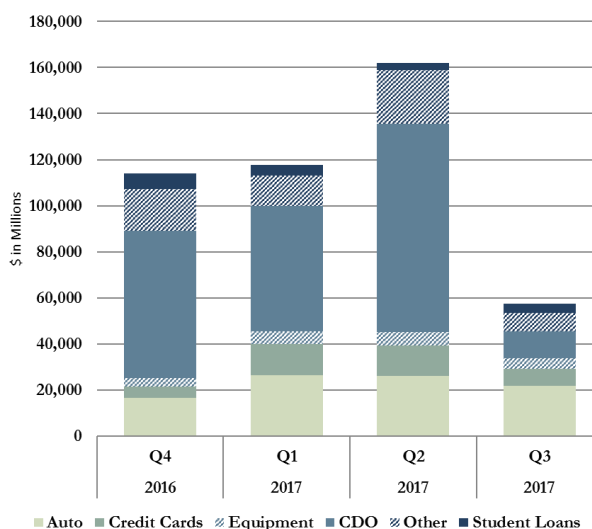
- The Barclays U.S. Aggregate Bond index recorded a 0.9% positive return during Q3 2017, a decrease from the 1.5% return in Q2 2017.
- The Barclays Investment Grade U.S. Corporate Bond index generated a positive return of 1.5% in Q3 2017, 1.0% below the return of 2.5% experienced in Q2, 2017, but 0.1% above the return of 1.4% in Q3 of 2016.

### Fixed Income Overview:

#### ■ Asset-Backed Securities

- Issuance of asset-backed securities decreased approximately 65.0% from \$88.5 billion to \$57.5 billion from Q2 2017 to Q3 2017.
- Auto sector led total issuances with \$21.7 billion in Q3 2017, followed by CDO: \$11.6 billion; other: \$8.2 billion; credit cards: \$7.5 billion; equipment: \$4.6 billion; student loans: \$3.8 billion.

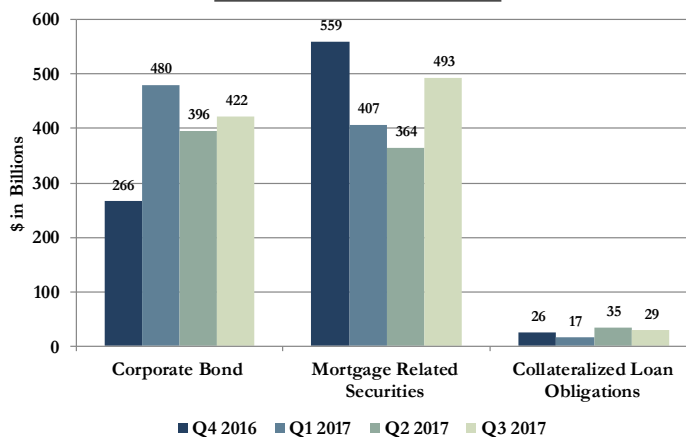
**U.S. Asset-Backed Securities Issuance**





## FIXED INCOME

### Fixed Income Issuance

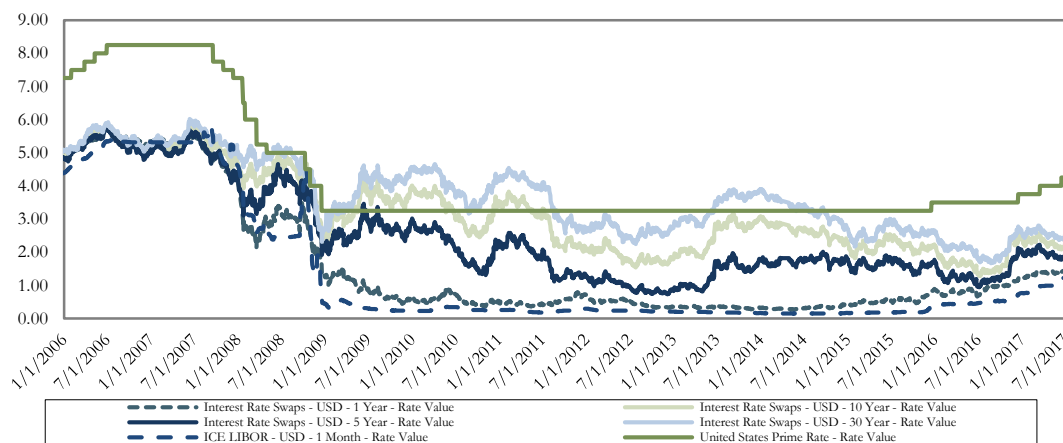


## INTEREST RATES

### MARKET OBSERVATIONS:

The Federal Open Markets Committee (“the Committee”) met recently on September 19, 2017 and plans to begin its largest post-recession policy shift in October to start trimming its \$4.5 trillion balance sheet by not reinvesting some of its mortgage and treasury securities as they mature. The stance on monetary policy remains accommodative, supporting a sustained return of below 2.0% inflation. Job gains have remained steady, and the unemployment rate has stayed low, decreasing from 4.9% in January to 4.7% in September. Household spending has been expanding at a moderate rate, increasing by 1.8% in the third quarter, and business fixed investments have picked up in recent quarters, growing by 1.2% in the third quarter. In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at 1.0% to 1.25%.

### Historical U.S. Prime, LIBOR, and Swap Rates



Rate as of 10/27/2017

<b>1 Year</b>	1.43%
<b>5 year</b>	2.06%
<b>10 year</b>	2.44%
<b>30 year</b>	2.95%
<b>LIBOR – 1 month</b>	1.23%
<b>Prime Rate</b>	4.25%

- *Fixed Rate Swaps* occur between two parties exchanging a set of fixed-rate payments and floating-rate payments based on LIBOR as a reference rate. The rate is the percentage over LIBOR that one side agrees to pay.
- *LIBOR* is the most used benchmark for short-term interest rates and is derived from an average of the most creditworthy banks’ interbank deposit rates.
- *Prime Rate* is the rate that creditworthy customers receive from commercial banks and is largely determined by the federal funds rate.

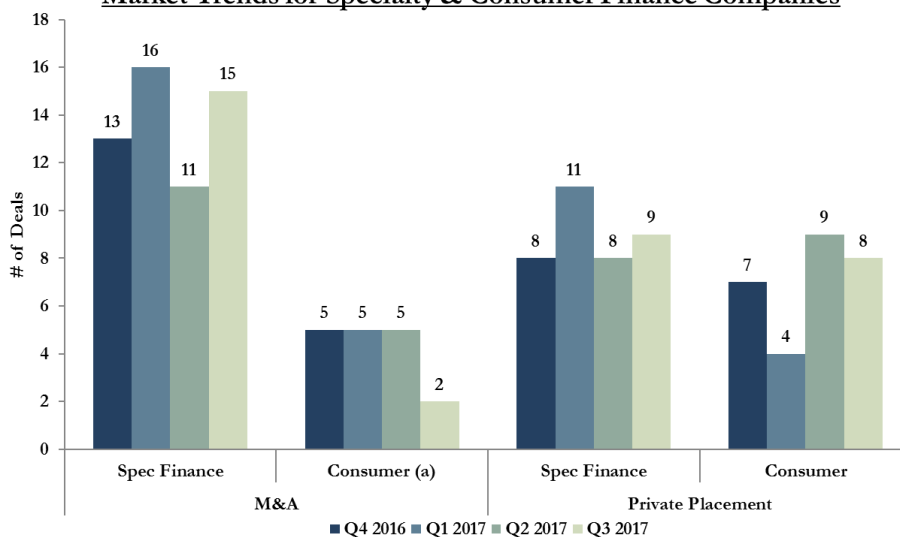
Sources: Federal Reserve, SIFMA, U.S. BLS, U.S. BEA, and ICE

### MERGERS AND ACQUISITIONS

#### OVERALL MARKET OBSERVATIONS:

- U.S. M&A deal activity decreased in September, down by 15.2% with 767 announcements compared to 904 in August. Aggregate M&A spending decreased as well; In September, 6.0% less was spent on deals compared to August.
- Globally, there were 3,774 deals valued at US\$667.1 billion in Q3 2017. Compared to Q3 2016, value decreased by 24.2% and number of deals decreased by 739.
- Although a sharp drop in inbound M&A was seen, activity was fueled by domestic deals within the U.S. Four of the top ten deals of the quarter globally took place between U.S. firms.

#### Market Trends for Specialty & Consumer Finance Companies



#### RECENT SPECIALTY FINANCE & CONSUMER M&A TRANSACTIONS:

- *October 17<sup>th</sup>* – **Texel Finance Limited** acquired a 50% interest in **Meridian Finance Group**. Meridian specializes in brokering domestic and export credit insurance and trade finance, helping middle market and small businesses increase their U.S. and international sales. It will continue to operate as Meridian in the U.S. and will be led by its founder and president, Gary Mendell, with support and investment from Texel.
- *October 5<sup>th</sup>* – **Automatic Data Processing (NasdaqGS: ADP)** acquired **Global Cash Card**. Global Cash Card provides customized pay-card solutions for businesses and individuals worldwide. It primarily focuses on the provision of prepaid ATM, prepaid Visa, and MasterCard debit cards. The company was founded in 1995 and is headquartered in Irvine, CA.
- *October 2<sup>nd</sup>* – **TowerBrook Capital Partners L.P.** acquired **Rewards Network Inc.** for an undisclosed amount. Rewards Network Inc. provides financial and marketing services and programs for restaurants in the United States. Rewards Network Inc. was formerly known as iDine Rewards Network Inc. and changed its name to Rewards Network Inc. in December 2003. The company is based in Chicago, Illinois.

(a) Consumer refers to companies which operate consumer loan, personal credit agencies, and offer fund transfers clearance and exchange services.

Sources: Factset, Mergermarket, and CapIQ



## MERGERS AND ACQUISITIONS

### RECENT SPECIALTY FINANCE & CONSUMER M&A TRANSACTIONS:

- *September 25<sup>th</sup>* – **Synovus Bank** acquired **World's Foremost Bank** for a total transaction value of approximately \$1,200 million. World's Foremost Bank manages and administers credit card business. It offers credit card through inbound telemarketing, retail locations, catalogs, and the Internet. The company was founded in 2001 and is based in Lincoln, Nebraska.
- *September 25<sup>th</sup>* – **PayPal Holdings, Inc.** (NasdaqGS:PYPL) acquired **Swift Financial Corporation** for an undisclosed amount to expand its working capital unit. Swift Financial streamlined the process of providing cash advances to small business merchants. The company was founded in 2006 and is based in Wilmington, Delaware.
- *September 7<sup>th</sup>* – **ECN Capital Corp.** (TSX:ECN) acquired **Service Finance Company, LLC** for approximately \$300 million. Service Finance Company, LLC. provides financing solutions to home improvement dealers and healthcare professionals in the United States. The company was incorporated in 2004 and is based in Boca Raton, Florida.
- *August 29<sup>th</sup>* – **Lightyear Capital LLC** acquired **eCommission Financial Services, Inc.** for an undisclosed amount. eCommission Financial Services, Inc. provides commission advance services to real estate sales professionals in the United States. The company was incorporated in 2001 and is based in Austin, Texas.
- *August 24<sup>th</sup>* – **Paysafe Group Plc** (LSE:PAYS) acquired substantially all the assets of **Delta Card Services, Inc.** for approximately \$470 million. Delta Card Services, Inc. provides merchant payment processing services. The company's services include Visa/MasterCard/discover network, debit card processing, eCommerce processing, check conversion/guarantee, and cash advance. The company was incorporated in 2006 and is based in Houston, Texas.
- *August 24<sup>th</sup>* – **Euronext US Inc.** acquired 90% interest in **FastMatch, Inc.** from a group of shareholders for approximately \$160 million. FastMatch Inc. operates an electronic communication network platform for foreign exchange trading. The company is based in New York, New York with a matching engine in London, United Kingdom and was founded in 2012 as a result of a spin-off from Credit Suisse.
- *August 11<sup>th</sup>* – **LBC Capital Inc.** acquired **Northpoint Commercial Finance LLC ('NCF')** for approximately \$865.5 million. Northpoint Commercial Finance LLC offers inventory financing services. It caters to outdoor power sports and office equipment sectors, manufacturers, distributors, and dealers. The company was founded in 2012 and is based in Alpharetta, Georgia.
- *August 11<sup>th</sup>* – **Commercial Credit, Inc.** acquired the business operations of **Transfac Capital, Inc.** for an undisclosed amount. Transfac Capital, Inc. provides accounts receivable factoring and invoice financing program services. The company was founded in 1942 and is based in Salt Lake City, Utah.
- *August 1<sup>st</sup>* – **Southwest Bank** acquired **Titan Factoring, LLC** for an undisclosed amount. Titan Factoring, LLC provides factoring services. The company is based in San Antonio, Texas.
- *July 31<sup>st</sup>* – **Solar Capital Ltd.** (NasdaqGS:SLRC) acquired **NEF Holdings, LLC** for \$210 million. NEF Holdings, LLC, through its wholly-owned subsidiary Nations Equipment Finance, provides financing solutions to small, midsize, or large corporations to acquire or refinance equipment. The company was incorporated in 2013 and is based in Norwalk, CT.
- *July 31<sup>st</sup>* – **People's United Bank** acquired **LEAF Commercial Capital, Inc.** ('LEAF') for an undisclosed amount. LEAF Commercial Capital, Inc., an independent equipment leasing and finance company, provides equipment and software financing, and franchise financing solutions for dealers/resellers, manufacturers/distributors, and small business owners in the United States. The company was incorporated in 2010 and is based in Philadelphia, Pennsylvania.



PRIVATE PLACEMENTS

**RECENT PRIVATE PLACEMENT TRANSACTIONS:**

- *October 24<sup>th</sup>* – **Clearinghouse Community Development Financial Institution** has received an undisclosed amount from new investor **SMSC Gaming Enterprise Inc.** The company offers financial lending for projects that include community facilities, affordable housing, commercial real estate, new markets tax credits, and small businesses. The company was founded in 1996 and is based in Lake Forest, California.
- *October 24<sup>th</sup>* – **Generate Capital, Inc.** will received \$199 million in funding from investors including **Alaska Permanent Fund** and other investors. Generate Capital, Inc. is a specialty finance company that builds, owns, operates, and finances infrastructure assets for energy storage, solar PV, solar thermal, energy efficiency, biomass, agriculture, and wastewater sectors. The company was incorporated in 2014 and is headquartered in San Francisco, California.
- *October 16<sup>th</sup>* – **Pawnee Leasing Corporation**, Chesswood Group Limited's (TSX: CHW) largest subsidiary, closed a new US\$75 million non-recourse asset backed facility with Capital one, N.A. Pawnee Leasing Corporation, founded in 1982 and based in Fort Collins, CO, finances a highly diversified portfolio of commercial equipment leases and loans. *Bryant Park Capital acted as exclusive financial advisor to Pawnee Leasing in connection with this transaction.*
- *October 11<sup>th</sup>* – **Pathway Lending Corp.** has received \$5 million in an equity round of funding from new investor **BBVA Compass**. Pathway Lending Corp., a community development financial institution, provides loans to businesses lacking access to traditional financing options in Tennessee. Pathway Lending was founded in 1999 and is headquartered in Nashville, Tennessee.
- *October 10<sup>th</sup>* – **CleanFund Commercial PACE Capital, Inc.** has received \$15 million in its series B round of funding led by entities affiliated with **Vulcan Capital**. CleanFund Commercial PACE Capital, Inc. provides long-term financing for energy efficiency, water conservation, renewable energy and seismic improvements for commercial, multifamily and other nonresidential properties in the United States. The company was founded in 2010 and is based in Sausalito, California.
- *September 21<sup>st</sup>* – **Prosper Marketplace, Inc.** received \$50 million in its series G round of funding from investors **FinEx Asia** and **LPG Capital**. Prosper Marketplace, Inc. develops a peer-to-peer online credit marketplace in the United States. The company was incorporated in 2005 and is headquartered in San Francisco, California.
- *September 14<sup>th</sup>* – **Braavo Capital Inc.** has received \$70 million in a round of funding led by new investor **Mark 2 Capital**. Braavo Capital Inc. operates specialty finance and lending platform for mobile applications. The company was founded in 2015 and is based in New York, New York.
- *September 12<sup>th</sup>* – **Harpeth Financial Services, LLC (dba Advance Financial)** received approximately \$5 million in a round of funding from a group of undisclosed investors. Advance Financial provides short-term loans and financial services in Tennessee. The company was founded in 1996 and is based in Nashville, Tennessee.
- *September 11<sup>th</sup>* – **Vemo Education, Inc.** announced that it will receive \$3.8 million of funding from **University Ventures, Route 66 Ventures, Inc., Haystack Partners**, and other investors. Vemo Education, Inc. provides income-based student-financing solutions for colleges and universities. The company is based in Reston, Virginia.
- *September 11<sup>th</sup>* – **FGI Worldwide LLC** has received \$140 million in a recapitalization round of equity funding from undisclosed new investors. FGI Worldwide Holdings LLC, through its subsidiaries, provides financing solutions such as asset based lending, invoice discounting, structured trade finance, international receivable finance, credit insurance, and other services. The company was incorporated in 2016 and is based in New York, New York.
- *September 11<sup>th</sup>* – **Freedom Truck Finance, LLC** has received an undisclosed round of equity funding from new investor **SunTx Capital Partners**. Freedom Truck Finance, LLC provides secondary truck financing solutions for independent owner operators. The company was founded in 2013 and is based in Dallas, Texas.

Sources: Cap IQ

PRIVATE PLACEMENTS

**RECENT PRIVATE PLACEMENT TRANSACTIONS:**

- *September 11<sup>th</sup>* – **Petal Card, Inc.** received \$3.3 million in a round of funding from a variety of investors including **Great Oaks Venture Capital, LLC, Brooklyn Bridge Ventures, Silicon Badia,** and other parties. Petal Card, Inc. issues credit cards to people who do not have traditional credit history, students, and immigrants. Petal Card, Inc. was founded in 2015 and is based in New York, New York.
- *August 22<sup>nd</sup>* – **Clearinghouse Community Development Financial Institution** received \$2.5 million in an equity round of funding from new investor, **CIT Bank, Asset Management Arm.** The company offers financial lending for projects that include community facilities, affordable housing, commercial real estate, new markets tax credits, and small businesses. The company was founded in 1996 and is based in Lake Forest, California.
- *August 14<sup>th</sup>* – **i3 Verticals, LLC** received \$14 million in a round of funding from undisclosed investors. i3 Verticals, LLC provides technology-enabled payment processing solutions. The company offers point-of-sale/mobile point-of-sale solutions, gift and loyalty programs, merchant financing solutions, security solutions, and reporting tools. The company was founded in 2012 and is based in Nashville, Tennessee.
- *August 10<sup>th</sup>* – **Novak Financial Inc.** will receive \$10 million in a round of funding outside investors with the minimum investment being \$25,000. Novak Financial, Inc. provides money lending services for investor renovation, construction projects, land development, and commercial purposes. The company was incorporated in 2007 and is based in Owings Mills, Maryland.
- *August 1<sup>st</sup>* – **First Heritage Credit LLC** received \$19 million in funding from **First Heritage Credit of South Carolina, LLC.** First Heritage Credit LLC provides personal loans through its network of branch offices. It also enables to apply for loans online; and allows customers to make online payments. The company is based in Amory, Mississippi and was founded in 1995.
- *July 31<sup>st</sup>* – **ETC Global Group LLC** announced received \$68 million in a round of funding, which includes participation from new investors **Cerberus Capital Management, L.P., and Quantlab Financial, LLC.** ETC Global Group LLC, through its subsidiaries, offers brokerage and clearing services. The company provides clearing, settlement, and custodial services to securities industries participants. The company was incorporated in 2014 and is headquartered in Los Angeles, California.

## Specialty Finance Market Update

### Analysis of Comparable Publicly Traded Financial Services Companies (as of 11/01/2017)

(US\$ in millions, except per share data)

Company	Ticker	Market Statistics		Operating Metrics							Valuation Metrics						Price/BV <sup>(6)</sup>	
		Mkt Cap 11/1/17	Enterprise Value	Sales		EBITDA			Net Income		EV / Sales	EV / EBITDA			P/E			
				LTM	LTM	Margin	2017 E	LTM	2017 E	2018 E	LTM	LTM	2017 E	2018 E	LTM	2017 E		2018 E
<b>Specialty Finance - Other</b>																		
Asta Funding, Inc.	ASFI	\$48.4	\$117.7	\$48.0	\$2.4	5.0%	NA	(\$2.5)	NA	NA	2.5x	NM	NA	NA	NM	NA	NA	0.4x
Encore Capital Group, Inc.	ECPG	\$1,178.9	\$4,110.7	\$1,013.7	\$257.5	25.4%	\$369.7	\$91.3	\$94.9	\$104.1	4.1x	16.0x	11.1x	10.0x	12.9x	12.4x	11.3x	2.1x
GWG Holdings, Inc.	GWGH	\$57.5	\$700.2	\$62.6	NA	NA	NA	(\$9.8)	(\$18.8)	(\$15.4)	NM	NA	NA	NA	NM	NM	NM	(2.3x)
Medallion Financial Corp.	MFIN	\$52.9	\$371.8	\$18.5	\$3.5	19.1%	NA	(\$6.3)	NA	NA	NM	NM	NA	NA	NM	NA	NA	0.2x
On Deck Capital, Inc.	ONDK	\$358.4	\$1,029.6	\$166.6	NA	NA	\$8.6	(\$38.9)	(\$1.2)	\$19.5	6.2x	NA	NM	NM	NM	NM	18.4x	1.4x
PRA Group, Inc.	PRAA	\$1,260.2	\$3,126.5	\$784.1	\$280.5	35.8%	\$222.8	\$101.8	\$59.2	\$70.6	4.0x	11.1x	14.0x	12.0x	12.4x	21.3x	17.9x	1.3x
<b>Mean</b>						<b>21.3%</b>					<b>4.2x</b>	<b>13.6x</b>	<b>12.6x</b>	<b>11.0x</b>	<b>12.6x</b>	<b>16.9x</b>	<b>15.8x</b>	<b>0.5x</b>
<b>Median</b>						<b>22.3%</b>					<b>4.0x</b>	<b>13.6x</b>	<b>12.6x</b>	<b>11.0x</b>	<b>12.6x</b>	<b>16.9x</b>	<b>17.9x</b>	<b>0.9x</b>
<b>Leasing / Rental</b>																		
Chesswood Group Limited	TSX:CHW	\$166.8	\$451.7	\$45.2	NA	NA	\$27.2	\$13.2	\$14.3	\$16.9	10.0x	NA	16.6x	14.4x	12.6x	11.6x	9.9x	1.5x
Element Fleet Management Corp.	EFN	\$2,961.8	\$14,316.9	\$960.6	NA	NA	NA	\$168.2	\$268.2	\$278.7	NM	NA	NA	NA	17.6x	11.0x	10.6x	1.2x
FLY Leasing Limited	FLY	\$419.1	\$2,672.3	\$342.5	NA	NA	\$309.9	\$36.0	\$47.7	\$56.6	7.8x	NA	8.6x	7.5x	11.6x	8.8x	7.4x	0.7x
Marlin Business Services Corp.	MRLN	\$291.0	\$199.7	\$86.4	NA	NA	NA	\$16.6	\$16.7	\$18.6	2.3x	NA	NA	NA	17.5x	17.4x	15.7x	1.7x
Mobile Mini, Inc.	MINI	\$1,498.3	\$2,424.0	\$517.2	\$176.2	34.1%	\$180.9	\$49.1	\$49.4	\$61.2	4.7x	13.8x	13.4x	12.0x	30.5x	30.4x	24.5x	1.9x
Textainer Group Holdings Limited	TGH	\$1,073.8	\$3,923.3	\$478.5	\$276.0	57.7%	\$370.4	(\$23.4)	\$7.2	\$49.3	8.2x	14.2x	10.6x	9.3x	NM	NM	21.8x	1.0x
<b>Mean</b>						<b>45.9%</b>					<b>6.6x</b>	<b>14.0x</b>	<b>12.3x</b>	<b>10.8x</b>	<b>18.0x</b>	<b>15.8x</b>	<b>15.0x</b>	<b>1.3x</b>
<b>Median</b>						<b>45.9%</b>					<b>7.8x</b>	<b>14.0x</b>	<b>12.0x</b>	<b>10.6x</b>	<b>17.5x</b>	<b>11.6x</b>	<b>13.1x</b>	<b>1.3x</b>
<b>Asset Based Lending</b>																		
Accord Financial Corp.	TSX:ACD	\$58.6	\$133.7	\$18.6	NA	NA	NA	\$2.9	NA	NA	7.2x	NA	NA	NA	20.2x	NA	NA	1.0x
Callidus Capital Corporation	TSX:CBL	\$411.3	\$695.4	(\$33.6)	NA	NA	NA	(\$37.5)	(\$5.9)	\$53.1	NM	NA	NA	NA	NM	NM	7.7x	1.4x
CIT Group Inc.	CIT	\$6,079.8	\$13,602.4	\$2,155.2	NA	NA	NA	\$275.1	\$390.8	\$467.6	6.3x	NA	NA	NA	22.1x	15.6x	13.0x	0.9x
NewStar Financial, Inc.	NEWS	\$509.0	\$3,708.9	\$59.8	NA	NA	NA	\$8.9	\$17.6	\$28.6	NM	NA	NA	NA	NM	28.9x	17.8x	0.8x
<b>Mean</b>						<b>NA</b>					<b>6.7x</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>21.1x</b>	<b>22.2x</b>	<b>12.8x</b>	<b>1.0x</b>
<b>Median</b>						<b>NA</b>					<b>6.7x</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>21.1x</b>	<b>22.2x</b>	<b>13.0x</b>	<b>0.9x</b>
<b>Consumer Finance</b>																		
Atlanticus Holdings Corporation	ATLC	\$32.4	\$234.8	\$48.8	NA	NA	NA	(\$18.8)	NA	NA	4.8x	NA	NA	NA	NM	NA	NA	(24.2x)
Enova International, Inc.	ENVA	\$490.7	\$1,146.0	\$732.4	NA	NA	\$152.9	\$37.5	\$44.8	\$57.0	1.6x	NA	7.5x	6.3x	13.1x	11.0x	8.6x	1.8x
EZCORP, Inc.	EZPW	\$551.1	\$696.7	\$750.5	\$67.7	9.0%	\$85.4	\$18.8	\$29.3	\$40.5	0.9x	10.3x	8.2x	6.4x	29.4x	18.8x	13.6x	0.9x
FirstCash, Inc.	FCFS	\$3,008.2	\$3,349.7	\$1,761.7	\$270.8	15.4%	\$272.1	\$118.7	\$124.8	\$147.9	1.9x	12.4x	12.3x	11.4x	25.3x	24.1x	20.3x	2.0x
Green Dot Corporation	GDOT	\$2,836.6	\$2,302.3	\$792.8	\$112.3	14.2%	\$198.3	\$49.5	\$103.6	\$120.8	2.9x	NM	11.6x	9.9x	NM	27.4x	23.5x	3.9x
LendingClub Corporation	LC	\$2,320.3	\$1,789.6	\$511.5	NA	NA	\$56.6	(\$82.4)	\$17.5	\$91.3	3.5x	NA	NM	13.5x	NM	NM	25.4x	2.4x
Regional Management Corp.	RM	\$291.1	\$778.9	\$246.9	\$68.5	27.7%	NA	\$25.8	\$28.2	\$31.8	3.2x	11.4x	NA	10.3x	11.3x	10.3x	9.2x	1.3x
The J.G. Wentworth Company	JGWE	\$2.5	\$4,894.7	\$126.3	NA	NA	NA	(\$7.9)	NA	NA	NM	NA	NA	NA	NM	NA	NA	(0.1x)
World Acceptance Corporation	WRLD	\$683.0	\$985.0	\$535.3	\$127.4	23.8%	\$119.7	\$62.7	\$61.8	\$57.4	1.8x	7.7x	8.2x	9.2x	10.9x	11.1x	11.9x	1.4x
<b>Mean</b>						<b>18.0%</b>					<b>2.6x</b>	<b>10.4x</b>	<b>9.6x</b>	<b>9.6x</b>	<b>18.0x</b>	<b>17.1x</b>	<b>16.1x</b>	<b>(1.2x)</b>
<b>Median</b>						<b>15.4%</b>					<b>2.4x</b>	<b>10.8x</b>	<b>8.2x</b>	<b>9.9x</b>	<b>13.1x</b>	<b>14.9x</b>	<b>13.6x</b>	<b>1.4x</b>

## Specialty Finance Market Update

### Analysis of Comparable Publicly Traded Financial Services Companies (as of 11/01/2017)

(US\$ in millions, except per share data)

Company	Ticker	Market Statistics		Operating Metrics							Valuation Metrics						Price/BV <sup>(6)</sup>		
		Mkt Cap 11/1/17	Enterprise Value	Sales		EBITDA			Net Income		EV / Sales		EV / EBITDA			P/E			
				LTM	LTM	Margin	2017 E	LTM	2017 E	2018 E	LTM	LTM	2017 E	2018 E	LTM	2017 E		2018 E	
<b><i>Automotive Financing</i></b>																			
America's Car-Mart, Inc.	CRMT	\$307.5	\$427.3	\$588.3	\$41.2	7.0%	\$43.2	\$20.4	\$21.2	\$24.5	0.7x	10.4x	9.9x	8.4x	15.1x	14.5x	12.6x	1.3x	
Consumer Portfolio Services, Inc.	CPSS	\$103.8	\$2,318.2	\$156.9	NA	NA	\$123.2	\$22.8	\$15.2	\$16.6	NM	NA	18.8x	18.1x	4.5x	6.8x	6.3x	0.5x	
Credit Acceptance Corporation	CACC	\$5,480.9	\$8,476.8	\$869.3	NA	NA	NA	\$376.9	\$397.2	\$430.1	9.8x	NA	NA	NA	14.5x	13.8x	12.7x	4.1x	
Nicholas Financial, Inc.	NICK	\$69.2	\$265.4	\$40.6	NA	NA	NA	\$3.6	NA	NA	6.5x	NA	NA	NA	19.4x	NA	NA	0.6x	
<b>Mean</b>						<b>7.0%</b>					<b>5.7x</b>	<b>10.4x</b>	<b>14.3x</b>	<b>13.3x</b>	<b>13.4x</b>	<b>11.7x</b>	<b>10.5x</b>	<b>1.6x</b>	
<b>Median</b>						<b>7.0%</b>					<b>6.5x</b>	<b>10.4x</b>	<b>14.3x</b>	<b>13.3x</b>	<b>14.8x</b>	<b>13.8x</b>	<b>12.6x</b>	<b>1.0x</b>	
<b><i>eFinance</i></b>																			
GAIN Capital Holdings, Inc.	GCAP	\$334.5	(\$715.7)	\$345.5	NA	NA	\$52.0	\$12.5	\$2.1	\$33.1	(2.1x)	NA	(13.8x)	(8.0x)	26.8x	NM	10.1x	1.2x	
Intercontinental Exchange, Inc.	ICE	\$38,970.0	\$44,624.0	\$4,623.0	\$2,869.0	62.1%	\$2,980.4	\$1,512.9	\$1,734.9	\$1,980.9	9.7x	15.6x	15.0x	13.7x	25.8x	22.5x	19.7x	2.4x	
Investment Technology Group, Inc.	ITG	\$662.8	\$513.1	\$472.0	NA	NA	\$76.1	\$4.8	\$15.5	\$38.3	1.1x	NA	6.7x	4.8x	NM	42.9x	17.3x	1.8x	
MarketAxess Holdings Inc.	MKTX	\$6,596.4	\$6,391.5	\$392.3	\$220.6	56.2%	\$219.5	\$126.9	\$148.1	\$175.1	NM	NM	NM	NM	NM	44.5x	37.7x	12.9x	
Nasdaq, Inc.	NDAQ	\$12,077.7	\$15,083.7	\$3,913.0	\$1,234.0	31.5%	\$1,227.2	\$550.6	\$697.2	\$744.4	3.9x	12.2x	12.3x	11.6x	21.9x	17.3x	16.2x	2.1x	
<b>Mean</b>						<b>49.9%</b>					<b>3.1x</b>	<b>13.9x</b>	<b>5.1x</b>	<b>5.5x</b>	<b>24.8x</b>	<b>31.8x</b>	<b>20.2x</b>	<b>4.1x</b>	
<b>Median</b>						<b>56.2%</b>					<b>2.5x</b>	<b>13.9x</b>	<b>9.5x</b>	<b>8.2x</b>	<b>25.8x</b>	<b>32.7x</b>	<b>17.3x</b>	<b>2.1x</b>	
<b><i>Fin Tech</i></b>																			
Broadridge Financial Solutions, Inc.	BR	\$10,071.7	\$10,902.6	\$4,142.6	\$704.7	17.0%	\$803.4	\$299.3	\$388.5	\$444.7	2.6x	15.5x	13.6x	13.0x	33.6x	25.9x	22.6x	10.0x	
CoreLogic, Inc.	CLGX	\$3,827.9	\$5,476.0	\$1,871.9	\$391.7	20.9%	\$473.6	\$106.8	\$191.9	\$205.6	2.9x	14.0x	11.6x	11.0x	35.8x	19.9x	18.6x	3.8x	
Fiserv, Inc.	FISV	\$26,158.3	\$30,944.3	\$5,611.0	\$1,763.0	31.4%	\$2,040.2	\$839.4	\$1,059.6	\$1,196.5	5.5x	17.6x	15.2x	14.2x	31.2x	24.7x	21.9x	11.1x	
MoneyGram International, Inc.	MGI	\$839.2	\$1,605.8	\$1,625.1	\$226.7	13.9%	\$281.0	\$34.0	\$57.2	\$64.1	1.0x	7.1x	5.7x	5.5x	24.7x	14.7x	13.1x	(4.4x)	
The Western Union Company	WU	\$9,270.6	\$11,834.2	\$5,430.8	\$1,350.9	24.9%	\$1,347.6	\$604.8	\$820.2	\$836.8	2.2x	8.8x	8.8x	8.8x	15.3x	11.3x	11.1x	14.0x	
WEX Inc.	WEX	\$5,212.0	\$7,410.1	\$1,210.1	\$403.4	33.3%	\$483.9	\$106.3	\$230.3	\$270.2	6.1x	18.4x	15.3x	13.3x	49.0x	22.6x	19.3x	3.2x	
<b>Mean</b>						<b>23.6%</b>					<b>3.4x</b>	<b>13.5x</b>	<b>11.7x</b>	<b>11.0x</b>	<b>31.6x</b>	<b>19.9x</b>	<b>17.8x</b>	<b>6.3x</b>	
<b>Median</b>						<b>22.9%</b>					<b>2.8x</b>	<b>14.7x</b>	<b>12.6x</b>	<b>12.0x</b>	<b>32.4x</b>	<b>21.3x</b>	<b>19.0x</b>	<b>6.9x</b>	



## Specialty Finance Market Update

### Analysis of Comparable Publicly Traded Financial Services Companies (as of 11/01/2017)

(US\$ in millions, except per share data)

Company	Ticker	Market Statistics		Operating Metrics							Valuation Metrics						Price/BV <sup>(a)</sup>		
		Mkt Cap 11/1/17	Enterprise Value	Sales		EBITDA			Net Income		EV / Sales		EV / EBITDA			P/E			
				LTM	LTM	Margin	2017 E	LTM	2017 E	2018 E	LTM	LTM	2017 E	2018 E	LTM	2017 E		2018 E	
<b>SBA Lending/ BDC</b>																			
Ares Capital Corporation	ARCC	\$6,837.8	\$11,136.8	\$1,113.3	\$792.2	71.2%	NA	\$345.2	\$584.5	\$684.2	NM	14.1x	NA	NA	19.8x	11.7x	10.0x	1.0x	
FS Investment Corporation	FSIC	\$1,928.9	\$3,496.0	\$414.3	NA	NA	NA	\$127.2	\$197.1	\$203.7	8.4x	NA	NA	NA	15.2x	9.8x	9.5x	0.8x	
Garrison Capital Inc.	GARS	\$133.7	\$313.6	\$38.8	NA	NA	NA	\$11.3	\$17.9	\$16.8	8.1x	NA	NA	NA	11.8x	7.5x	8.0x	0.7x	
Hercules Capital, Inc.	HTGC	\$1,034.1	\$1,622.8	\$187.4	\$140.3	74.9%	NA	\$60.5	\$97.0	\$106.1	8.7x	11.6x	NA	NA	17.1x	10.7x	9.7x	1.3x	
KCAP Financial, Inc.	KCAP	\$126.7	\$294.3	\$32.5	NA	NA	NA	\$9.0	\$11.2	\$13.1	9.0x	NA	NA	NA	14.0x	11.4x	9.7x	0.7x	
Main Street Capital Corporation	MAIN	\$2,277.0	\$3,076.0	\$191.6	NA	NA	NA	\$78.0	\$131.3	\$134.0	NM	NA	NA	NA	29.2x	17.3x	17.0x	1.8x	
Medley Management Inc.	MDLY	\$30.6	\$109.1	\$67.6	\$27.7	41.0%	\$34.9	(\$4.1)	\$2.8	\$3.2	1.6x	3.9x	3.1x	2.6x	NM	10.9x	9.6x	(6.2x)	
Monroe Capital Corporation	MRCC	\$294.7	\$459.6	\$46.6	NA	NA	NA	\$14.8	\$28.3	\$29.9	9.9x	NA	NA	NA	19.9x	10.4x	9.9x	1.0x	
Newtek Business Services Corp.	NEWT	\$299.1	\$524.2	\$37.6	\$3.8	10.0%	NA	(\$5.7)	\$30.8	\$31.6	NM	NM	NA	NA	NM	9.7x	9.5x	1.2x	
Oaktree Capital Group, LLC	OAK	\$2,949.3	\$4,409.5	\$1,457.0	\$469.3	32.2%	\$720.8	(\$45.8)	\$246.4	\$238.1	3.0x	9.4x	6.1x	5.2x	NM	12.0x	12.4x	3.4x	
Och-Ziff Capital Management Group LLC	OZM	\$705.7	\$1,699.4	\$716.2	\$108.0	15.1%	\$473.8	(\$0.2)	\$99.8	\$64.0	2.4x	15.7x	3.6x	4.8x	NM	7.1x	11.0x	(1.5x)	
PennantPark Investment Corporation	PNNT	\$531.5	\$978.2	\$128.8	NA	NA	NA	\$40.2	\$56.7	\$54.6	7.6x	NA	NA	NA	13.2x	9.4x	9.7x	0.8x	
Prospect Capital Corporation	PSEC	\$2,115.0	\$4,439.1	\$701.0	NA	NA	NA	\$190.6	\$276.0	\$280.3	6.3x	NA	NA	NA	11.1x	7.7x	7.5x	0.6x	
Solar Capital Ltd.	SLRC	\$896.8	\$791.0	\$144.7	NA	NA	NA	\$41.9	\$68.5	\$75.9	5.5x	NA	NA	NA	21.4x	13.1x	11.8x	1.0x	
TICC Capital Corp.	TICC	\$310.4	\$449.3	\$70.4	NA	NA	NA	\$17.4	\$31.7	\$32.6	6.4x	NA	NA	NA	17.9x	9.8x	9.5x	0.8x	
Triangle Capital Corporation	TCAP	\$584.9	\$1,054.3	\$122.5	\$106.6	87.0%	NA	\$48.3	\$79.0	\$81.0	8.6x	9.9x	NA	NA	12.1x	7.4x	7.2x	0.9x	
<b>Mean</b>						<b>47.3%</b>					<b>6.6x</b>	<b>10.8x</b>	<b>4.3x</b>	<b>4.2x</b>	<b>16.9x</b>	<b>10.4x</b>	<b>10.1x</b>	<b>0.5x</b>	
<b>Median</b>						<b>41.0%</b>					<b>7.6x</b>	<b>10.7x</b>	<b>3.6x</b>	<b>4.8x</b>	<b>16.1x</b>	<b>10.1x</b>	<b>9.7x</b>	<b>0.9x</b>	
<b>Real Estate Financing</b>																			
ARMOUR Residential REIT, Inc.	ARR	\$1,048.8	\$8,164.3	\$239.4	NA	NA	\$123.1	\$129.2	\$111.9	\$101.3	NM	NA	NM	NM	8.1x	9.4x	10.4x	0.9x	
Fidelity National Financial, Inc.	FNF	\$10,307.6	\$6,278.6	\$10,133.0	\$1,799.0	17.8%	\$1,269.0	\$780.0	\$639.5	\$658.1	0.6x	3.5x	4.9x	5.5x	13.2x	16.1x	15.7x	2.0x	
First Acceptance Corporation	FAC	\$40.4	\$2.3	\$369.4	\$2.6	0.7%	NA	(\$3.2)	NA	NA	0.0x	0.9x	NA	NA	NM	NA	NA	0.5x	
Meta Financial Group, Inc.	CASH	\$829.0	\$1,051.5	\$254.8	NA	NA	NA	\$40.9	\$65.7	\$72.5	4.1x	NA	NA	NA	20.3x	12.6x	11.4x	1.9x	
MFA Financial, Inc.	MFA	\$3,301.4	\$10,177.9	\$376.2	NA	NA	NA	\$196.0	\$282.6	\$292.8	NM	NA	NA	NA	16.8x	11.7x	11.3x	1.0x	
Nationstar Mortgage Holdings Inc.	NSM	\$1,897.6	\$16,736.6	\$1,272.0	NA	NA	\$578.5	\$227.1	\$71.3	\$183.4	NM	NA	NM	NM	8.4x	26.6x	10.3x	1.1x	
PHH Corporation	PHH	\$671.6	\$984.6	\$734.0	NA	NA	NA	(\$188.6)	(\$180.1)	(\$79.5)	1.3x	NA	NA	NA	NM	NM	NM	0.7x	
Walker & Dunlop, Inc.	WD	\$1,699.8	\$3,420.9	\$649.1	NA	NA	\$191.6	\$139.8	\$136.9	\$137.1	5.3x	NA	17.9x	16.3x	12.2x	12.4x	12.4x	2.5x	
<b>Mean</b>						<b>9.2%</b>					<b>2.3x</b>	<b>2.2x</b>	<b>11.4x</b>	<b>10.9x</b>	<b>13.2x</b>	<b>14.8x</b>	<b>11.9x</b>	<b>1.3x</b>	
<b>Median</b>						<b>9.2%</b>					<b>1.3x</b>	<b>2.2x</b>	<b>11.4x</b>	<b>10.9x</b>	<b>12.7x</b>	<b>12.5x</b>	<b>11.4x</b>	<b>1.1x</b>	

Source: Cap IQ

(a) Price as of November 01, 2017 divided by the last reported book value

## SELECTED SPECIALTY FINANCE TRANSACTIONS

### EXECUTIVES & PRINCIPALS

Joel Magerman  
Managing Partner

Dan Avnir  
Managing Director

Matt Pennino  
Managing Director

Raymond Kane  
Managing Director

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[www.sipc.org](http://www.sipc.org)

[www.bryantparkcapital.com](http://www.bryantparkcapital.com)

<p>\$75,000,000</p>  <p><b>PAWNEE LEASING CORPORATION</b> Term-Out Facility</p> <p>Exclusive Financial Advisor</p>	<p>\$250,000,000</p>  <p><b>DIVIDENDSOLAR</b> has merged with  and secured equity and debt financing from affiliates of <b>LL Funds, LLC</b></p> <p>Exclusive Financial Advisor</p>	<p>\$15,000,000</p>  <p><b>DIVIDENDSOLAR</b></p> <p>Senior Secured SPV Debt, and Senior Secured Debt</p> <p>Exclusive Financial Advisor</p>	<p>Up to \$100,000,000</p>  <p><b>GOLDEN PEAR FUNDING</b></p> <p>Structured Portfolio Sale &amp; Forward Flow Agreement</p> <p>Exclusive Financial Advisor</p>
<p>\$150,000,000</p>  <p><b>GOLDEN PEAR FUNDING</b></p> <p>\$100,000,000 Senior Secured Credit Facility \$50,000,000 Additional Commitment</p> <p>Exclusive Financial Advisor</p>	<p>\$60,000,000</p>  <p><b>Northern Capital Systems, Inc.</b> Creating it smart. Growing it successful.</p> <p>Senior Secured Credit Facility</p> <p>Exclusive Financial Advisor</p>	<p>\$40,000,000</p>  <p><b>peachtree</b> SETTLEMENT FINANCING</p> <p>Private Placement of Preferred Equity</p> <p>Finder</p>	<p> <b>123 LUMP \$UM HOLDINGS</b></p> <p>Private Placement of Preferred Stock with</p> <p><b>GCP Capital Partners</b></p> <p>Exclusive Financial Advisor</p>
<p>\$240,000,000</p>  <p><b>J.G. WENTWORTH.</b></p> <p>has sold a majority stake in the company through a leveraged buyout transaction to</p>  <p><b>JLL Partners</b></p> <p>Exclusive Financial Advisor</p>	<p><b>RAPID CASH FUNDING</b></p> <p>has been acquired by</p>  <p><b>J.G. WENTWORTH.</b></p> <p>Exclusive Financial Advisor</p>	<p> <p><b>FAIRFIELD FUNDING</b> The Right Solutions at the Right Time</p> <p>Structured Settlement Asset Sale</p> <p>Exclusive Financial Advisor</p> </p>	<p>£25,200,000</p>  <p><b>THE MONEY PORTAL PLC</b></p> <p>Convertible Cumulative Redeemable Preference Shares</p> <p>Financial Advisor</p>
<p> <p><b>CBC</b> SETTLEMENT FINANCING</p> <p>has been acquired by</p>  <p><b>Asta</b> FINANCIAL, INC.</p> <p>Exclusive Financial Advisor</p> </p>	<p> <p><b>peachtree</b></p> <p>Lottery Financing Facility</p> <p>Exclusive Financial Advisor</p> </p>	<p>\$25,000,000</p>  <p><b>123 LUMP \$UM HOLDINGS</b></p> <p>Senior Secured Credit Facility</p> <p>Exclusive Financial Advisor</p>	<p>\$50,000,000</p>  <p><b>CashReady</b></p> <p>Portfolio Purchase Credit Facility</p> <p>Exclusive Financial Advisor</p>
<p>\$150,000,000</p>  <p><b>MoneyLion</b></p> <p>Senior Secured Credit Facility</p> <p>Exclusive Financial Advisor</p>	<p>\$30,000,000</p>  <p><b>PRINCIPIS CAPITAL</b></p> <p>Senior Secured Credit Facility</p> <p>Exclusive Financial Advisor</p>	<p>\$40,000,000</p>  <p><b>peachtree</b> PRE-SETTLEMENT FINANCING</p> <p>Credit Facility</p> <p>Financial Advisor</p>	<p>\$25,000,000</p>  <p><b>LETITURE FINANCIAL</b> REDEEMABLE PREFERENCE SHARES</p> <p>Acquisition Line of Credit and Consumer Finance Line of Credit</p> <p>Financial Advisor</p>
<p>\$60,000,000</p>  <p><b>GOLDEN PEAR FUNDING</b></p> <p>\$30,000,000 Junior Secured Credit Facility \$30,000,000 Additional Commitment</p> <p>Exclusive Financial Advisor</p>	<p>\$25,000,000</p>  <p><b>Northern Capital Systems, Inc.</b> Creating it smart. Growing it successful.</p> <p>Senior Secured Credit Facility</p> <p>Exclusive Financial Advisor</p>	<p> <p><b>JCWPT</b> VALUATION SERVICES, LLC</p> <p>Valuation Services</p> <p>Exclusive Financial Advisor</p> </p>	<p>\$30,000,000</p>  <p><b>GOLDEN PEAR FUNDING</b></p> <p>Portfolio Sale of Assets</p> <p>Exclusive Financial Advisor</p>

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