DDJ | Capital Management

CIO's Perspective

JULY 2015
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2015 Half-Time Leveraged Credit Review and Outlook

> The leverage credit market rebounded with solid returns early in 2015 before continuing the bumpy trend that ended 2014.

> We believe that higher market volatility will continue given both macroeconomic/geopolitical and market-specific factors.

> Most important to us is to focus even more sharply on the current and prospective performance of the companies in our portfolios.

David J. Breazzano
President, Chief Investment Officer

Mr. Breazzano is a co-founder of DDJ and has more than 34 years of experience in high yield, distressed and special situations investing. At DDJ, he oversees all aspects of the firm and chairs both the Senior Management and Investment Review Committees.

Stony Brook Office Park | 130 Turner Street | Building 3, Sui te 600 | Waltham, MA 02453
Phone 781.283.8500 **Web** ddjcap.com

1st Half 2015 Review

After experiencing a tumultuous second half of 2014, high yield bonds and leveraged loans rebounded with solid returns in early 2015 before continuing their bumpy trend toward the end of the first half ("1H15"). The BofA Merrill Lynch U.S. High Yield Bond Index ("HYBI") and the JP Morgan Leveraged Loan Index ("JPM") returned 2.49% and 3.01%, respectively, beating all other U.S. domestic credit asset classes and even some major equity indices, including the S&P 500. Interestingly, the absolute return, yield, and spread of the market finished June virtually unchanged from year-end.

Within the high yield universe, returns from the previously beaten-down energy sector drove overall performance, producing a 4.1% return as compared with a 2.0% return for non-energy bonds.[1] With respect to loans, second liens generated a 4.1% return, which led performance in that asset class. Notably, the high yield bond market lost 1.5% during the month of June alone, as Treasury yields backed up and investors retreated in the face of anticipated U.S. Federal Reserve rate hikes, as well as the looming default by Greece, and continued pricing woes in the commodity complex.

Exhibit 1: High Yield Bonds and Leveraged Loans, calendar 2014, and 1H 2015 and 2014[2]

	December 31, 2014	1H 2015	1H 2014	△ v. 1H 2014
High Yield Bonds (HYBI)				
Total Return YTD	2.50%	2.49%	5.64%	-3.15%
Yield (YTW)	6.65%	6.65%	5.01%	+1.64%
Spread (OAS)	504 bps	500 bps	353 bps	+147 bps
Price	98.87	98.21	105.67	-7.46
Coupon	6.92%	6.79%	7.12%	-0.33%
Current Yield	7.00%	6.91%	6.74%	+0.17%
Average Rating	B1	B1	B1	Unch
Effective Duration	4.46	4.49	4.21	+0.28
Default Rate (Par)	1.63%	2.12%	0.70%	+1.42%
Leveraged Loans (JPM)				
Total Return YTD	2.05%	3.01%	2.38%	+0.63%
Yield (3-Year)	6.16%	5.81%	4.96%	+0.85%
Spread (3-Year)	491 bps	458 bps	399 bps	+59 bps
Price	96.99	97.76	99.61	-1.85
Default Rate (Par)	1.70%	1.79%	1.35%	+0.44%

Source: BofA Merrill Lynch (HYBI) and JP Morgan (JPM).
Past performance does not guarantee future results.

Well Positioned at the Beginning of the Year

The high yield bond market began 2015 with a 7.0% current yield, a metric that usually represents a good starting point for projecting the potential total return investors may expect for the upcoming year. Not surprisingly though, medium-term U.S. Treasury rates rose over

[1] Source: BofA Merrill Lynch and JP Morgan.

[2] Default statistics for 2015 include distressed exchanges. Default statistics for 2014 exclude the historic TXU default since, in our view, were it to be included, its size would understate the true financial condition of the universe of high yield bond and loan issuers.

Leveraged loans fared particularly well in 1H15, actually outperforming high yield bonds by 52 bps.

the period, which negatively impacted nearly all fixed income spread products. As a result, high yield bonds suffered moderate principal diminution as prices adjusted to the higher underlying yield levels, eroding the so-called "coupon income" provided by the current yield.

Within the high yield ratings classes, single B-rated issuers outperformed double B- and triple C-rated issuers. Double B bonds are the highest of the below investment-grade bond ratings classes and are the most sensitive to moves in underlying Treasury rates. Consequently, the backup in Treasuries detracted from double B returns. In fact, the even higher quality investment-grade ratings classes all posted negative returns for 1H15 primarily due to the rise in rates.

On the opposite end of the ratings spectrum, triple Cs underperformed both double and single B issuers. While triple Cs are quite insensitive to moves in Treasury rates, they are generally considered a barometer of investors' risk appetite. This is to say that when investors are exuberant and of a "risk-on" mentality, they generally drive up prices of triple C paper. Conversely, the opposite scenario generally holds true as well, as evidenced by the underperformance by triple Cs in the wake of the sour investor sentiment that took hold in the late spring/early summer.

Leveraged loans fared particularly well in 1H15, actually outperforming high yield bonds by 52 bps. Investor demand for loans was very strong during 1H15, driven mainly by heavy origination of new Collateralized Loan Obligations ("CLOs") against relatively sparse supply of newly-issued bank loans.

Similar to bonds, higher quality loans outperformed low quality, and as with loans, double B returns exceeded single B. Furthermore, loans of energy issuers were the best performers with a return of 5.14% while the metals/mining sector, which was hit hard by ripple effects from oil price declines, was the only sector in the asset class with a negative return (-3.44%).[3]

Some Order is Restored ... For Now

Last year at this time marked the end of a streak of 10 consecutive monthly gains for high yield bonds. During such time, the market exhibited "frothy" behavior, compressing yield spreads across all types of credit classes—signaling little discernment between the creditworthiness of issuers. What followed in the second half of 2014 was much more balanced in terms of monthly gains and losses (3 each), but decidedly negative in terms of overall return,[4] particularly in the industry sectors that were most affected by the macroeconomic events that occurred in 2H14 (i.e., China slowdown, oil price drop, etc.).

So far in 2015, the market seems to have recovered from the late 2014 swoon, producing 4 months of positive returns and at times even reverting back to the "frothy" behavior we observed last year. But for certain areas of the market, a more normalized state exists, with real pricing and performance distinctions between various types of issuers.

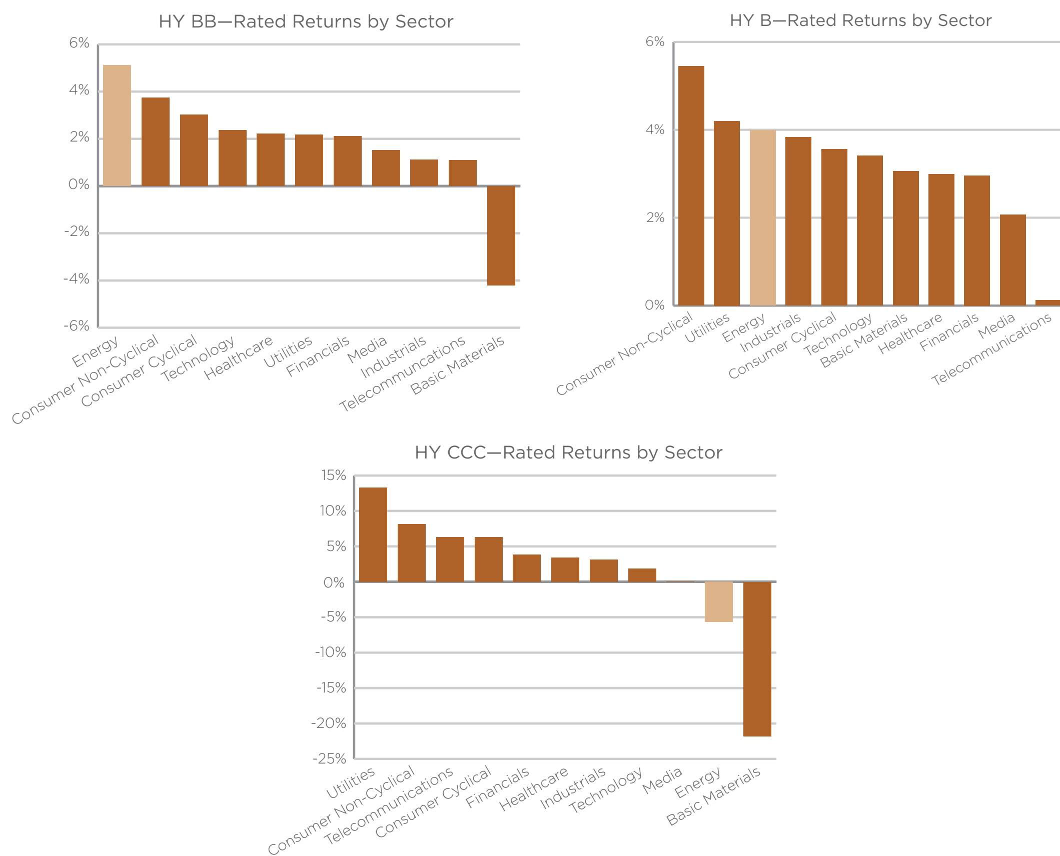
For example, as shown in the chart below, both double B- and single B-rated energy bonds produced strong returns in 1H15 (roughly +5% and +4% , respectively), yet the return produced by triple C-rated energy bonds was soundly negative (roughly -4%). In a similar vein, while triple C-rated basic materials (i.e., commodity-related) bonds lost money during this same

[3] Source: JP Morgan.

[4] Over the second half of 2014, the high yield market lost more than 50% of the gains it made in the first half, going from +5.64% on June 30th to +2.50% at year-end. Source: BofA Merrill Lynch.

time period (roughly -20%), bonds of single B-rated issuers in that sector made money (roughly +3%). Such differentiation between ratings classes suggests that investors have become more discerning between creditworthiness, which, to us, is more in line with how a normal, healthy market should operate.

Exhibit 2: High Yield Bond Returns by Ratings and Industry Sector[5]



Source: Morgan Stanley.
Past performance does not guarantee future results.

Still, we observe numerous signs indicating that the current credit cycle is in its latter stage. In fact, apart from energy and commodity-related sectors, most of the market appears richly priced and still exhibits tight spreads. Nevertheless, as we have observed in the past, the market can remain in such a condition for quite some time. However, at some point, it is likely that these highly priced areas will eventually undergo a correctional phase which, along with other factors that we will discuss next, will present hurdles to smooth returns, resulting in increased volatility.

[5] Returns are as of June 30, 2015.

The major risks facing the market continue to be driven by macroeconomic/ geopolitical factors.

2nd Half 2015 Market Outlook

In our last CIO's Perspective piece, we questioned whether 2015 would see a resumption of the multi-year bull market in below investment-grade corporate credit or if the market would finally reach an inflection point, prompting a swift widening of spreads in advance of a wave of defaults. At the halfway point of 2015, the market's answer to our question actually included a little of both scenarios.

Macroeconomic/Geopolitical Risk Factors: Still in the Lead

As was the case at year end, the major risks facing the market continue to be driven by macroeconomic/geopolitical factors. While such risks have become more defined, they still present the market with lots of uncertainty regarding their outcome.

For example, the U.S. Federal Reserve has been relatively consistent and predictable regarding its intention to raise the Federal Funds target. However, the timing and severity of a policy move are still unclear and while we do not believe that the market will react violently once the Fed moves rates up, it is anyone's guess exactly how conditions will truly unfold.

Interestingly, for below investment-grade corporate credit, a rise in rates may end up being a non-factor. Historically, the Fed has raised short-term interest rates to combat inflationary pressures that result from strong economic growth. Granted, rising underlying Treasury rates negatively impact fixed income instruments, but a vibrant economy typically positively impacts the creditworthiness of issuers, thus reducing the credit risk premium required by investors. Consequently, in most past periods of rate hikes, the net effect on corporate spreads is usually a wash, as spreads tighten in an offsetting action to the Treasury rate rise.

Outside of the U.S., Greece's sovereign debt dilemma is raising the market's expectations that it will eventually exit the European Union (aka, the "Grexit"). Whether Greece and the EU can come to agreeable terms for its continued inclusion will probably remain uncertain for several months at least. Even more uncertain is how a Grexit would actually affect global markets.

Finally, economic weakness and/or excessive debt is affecting a number of other influential economies across the globe including China, oil-reliant economies such as Russia and Venezuela and heavy commodity producing nations like Australia. Even the tiny tropical island of Puerto Rico's ability to service its $70+ billion debt load is creating significant volatility and influencing investor sentiment within the broader high yield market.

As has been the trend for some time now, global central banks have taken significant accommodative steps to stabilize their respective economies and attempt to limit any spread of their problems to external markets. However, many of the issues facing global markets today are either unique to current circumstances or have not been experienced in a long time. Consequently, in many ways the investment community is pathfinding through an unchartered macroeconomic/geopolitical territory.

The overall health of the high yield market appears to be adequate.

Leveraged Credit Market Risk Factors are Slowly Escalating

Exhibit 3: Select Historical High Yield Bond Market (HYBI) Metrics[6]

Metric	1H15	Low	High	Median
Yield (YTW)	6.65%	4.85%	22.66%	8.58%
Spread (OAS)	500 bps	241 bps	2182 bps	510 bps
Default Rate	1.9%	0.4%	11.0%	2.2%
Leverage Ratio	4.7x	2.9x	4.9x	3.8x
Coverage Ratio	3.2x	2.2x	3.8x	3.3x
3 yr. Maturities (HY&LL)	11.9%	8.9%	18.4%	11.9%
Aggressive Use of Proceeds (HY&LL)	17.1%	1.2%	46.6%	17.3%

Source: BofA Merrill Lynch and JP Morgan.
See Endnotes for a description of these metrics and the methodology used in their calculation.

For the most part, the overall health of the high yield market appears to be adequate, with several of its major metrics hovering around historical averages. Spreads, default rate, coverage ratio, near-term maturities, and "aggressive financings" all portray a reasonable risk profile against the historical record. However, two significant factors, one plainly evident and another less obvious, cause us concern and bear close attention.

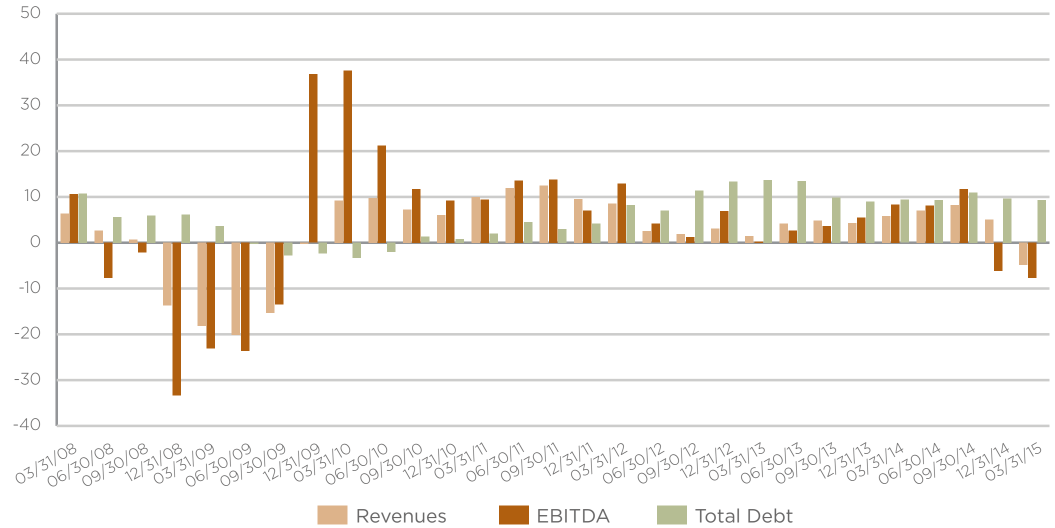
The evident metric is the market's leverage ratio,[7] which is a simplified reflection of a company's debt burden in relation to its earnings. As the leverage ratio moves higher, the risk of default rises. Important to consider, however, is the rate at which the risk rises in relation to the leverage multiple, because as the absolute level of the leverage ratio increases, default risk becomes much more sensitive to it.

For example, for most businesses with a low leverage ratio like 2.0x, a 25% rise in the leverage ratio (to 2.4x) would likely only impact its default risk in a minor way. However, with highly leveraged companies, at say 6.0x, a 25% move (to 7.5x) can raise the default risk profile exponentially, as there is usually an upper limit for an appropriate enterprise value multiple. Accordingly, as the leverage multiple approaches that limit, any residual enterprise value (i.e., equity) dissipates, potentially rendering the company insolvent.

As of June 30th, at 4.7x, the high yield market's leverage ratio was just shy of its historical high mark, which was set in Q3 of 2000. While we are not suggesting that 2015 is a similar time period to 2000, within a year of reaching 4.9x in 2000, high yield bonds spreads widened to over 1,000 basis points (from around 675bps). The lesson is that at some level investors will deem the market to be too risky at the prevalent price and require higher spreads (i.e., lower prices) to offset the elevated risk of potential losses from defaults.

[6] All 1H15 data is as of June 30, 2015 except for leverage and coverage ratios which are as of the most recent reporting period, March 31, 2015. For historical comparative purposes, default data excludes distressed exchanges and includes the TXU default.
[7] Defined as Total Debt divided by Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA" or "cash flow").

Exhibit 4: Select Fundamental Metrics for High Yield Bond Issuers, 1Q 2008 to 1Q 2015



Source: BoA Merrill Lynch.

Could a Trend be Forming?

Decomposing the market's leverage ratio reveals the aforementioned, less obvious, yet quite concerning risk factor. As shown above, after 20 consecutive quarters of EBITDA growth, high yield issuers experienced back-to-back quarters of declining cash flow. Particularly concerning is that revenues, which reflect overall demand for issuers' products and services, declined in Q1 2015.

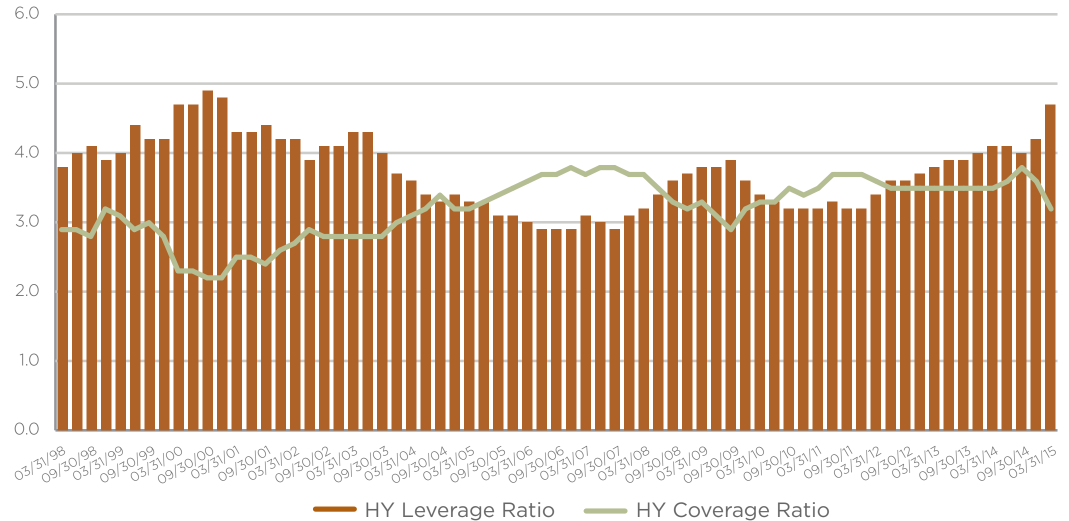
Based on the last two quarters, to early trend-spotters, it may be generalized that high yield issuers are not generating the necessary operating performance to support their existing cost structure, which can only be remedied by either achieving growth or resizing costs. Growth, at least at the macroeconomic level, is not within any individual company's control, *per se*, and cost reductions typically bear unfortunate consequences for areas like employment and capital investment. In either case, if such a trend exists, conditions will need to improve to keep investors from reallocating capital away from high yield bonds and leveraged loans.

All told, the combination of higher debt levels and deteriorating profitability leads us to this next chart, which shows how leverage and interest coverage[8] ratios have diverged over the past two quarters.

[8] Defined as EBITDA divided by Total Interest Expense.

The lack of market liquidity is a major issue that managers need to deeply embed into their investment decision-making process.

Exhibit 5: High Yield Bond Issuer's Leverage and Coverage Ratios, 1Q 1998 to 1Q 2015



Source: BofA Merrill Lynch.

As shown above, overall market leverage is trending toward a level not seen since the dot-com bubble peaked in size during the early 2000s. Furthermore, the interest coverage ratio is similarly approaching a precarious range last reached during the 2008 financial crisis.

Predicting how the broad landscape of the leveraged credit market unfolds from here is not within the expertise of DDJ. What is most important to us is how we can mitigate the market's higher risk profile. Our answer will almost always be the same: to focus even more sharply on the current and prospective performance of the individual companies that comprise our investment portfolios. In our view, it is only through thorough analysis and proactive monitoring of each issuer that we can accurately assess risk and adjust our investment strategy accordingly.

The L Word

One major risk factor that is not expressed in any reliable market metric is the L word: liquidity. While we could dedicate an entire thought piece to how the change in liquidity in the leveraged credit market has presented new and significant challenges, for this paper, we will be brief on the topic.

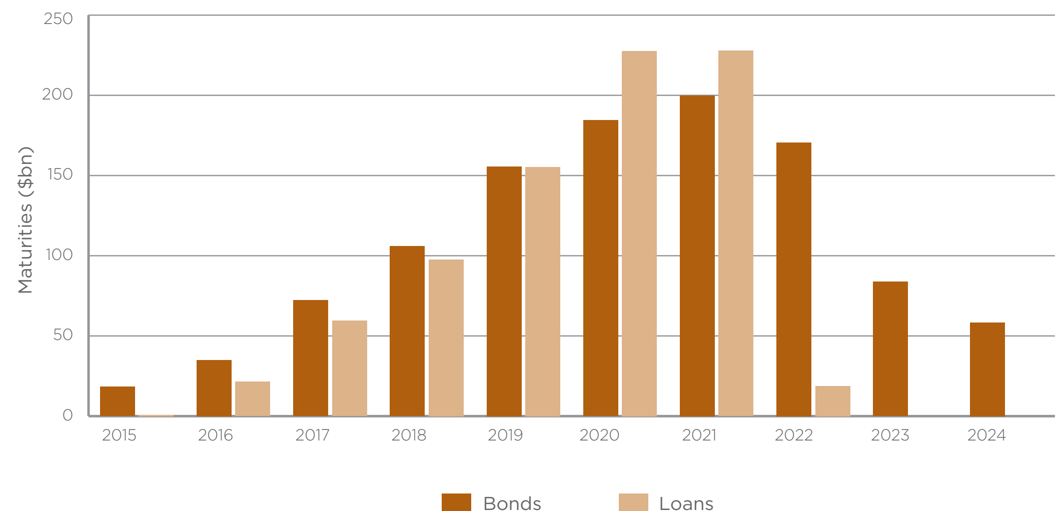
Essentially, now more than ever before, the lack of market liquidity is a major issue that managers need to deeply embed into their investment decision-making process. In our view, an illiquid market cuts two ways: for one, it clearly exaggerates volatility, but likewise, it also can produce opportunities to the discerning investor. Large price swings due to a technical factor like liquidity (as opposed to a fundamental credit-specific factor) often times lead to mispricings and market inefficiencies. Being a provider of liquidity to the market during periods of illiquidity (which we are fond of doing) can be quite advantageous in exploiting a mispricing and capturing an asymmetric return for the risk being taken.

Typically, the end of a bull market involves a marked backup in spreads, essentially creating an inflection point. While in real-time, no one knows for sure whether a substantial spread rise is actually signaling the beginning of a new market phase, the volatility in the market around inflection points is usually quite pronounced. Given the current, "new normal" liquidity environment with low broker-dealer inventories and less market-making activity, we expect the price action in the market around the next inflection point to be dramatic, particularly if defaults start to tick up further. Such a stressed market condition could provide exceptional opportunities to a liquidity provider.

The Runway for Issuers is Still Pretty Long

The good news is that the maturity profile of the market remains one area in strong health.

Exhibit 6: High Yield Bond and Leverage Loan Maturity Profile, 2015 through 2024



Source: BofA Merrill Lynch.

According to the chart above, a relatively small amount of bonds and loans will be coming due over the next two and one-half years, giving a substantial amount of time to companies to continue enjoying low interest payments as well as work out any profitability issues that may already exist or otherwise arise over the next two years. Also, because most maturities are pushed out several years, any rise in short-term rates should not affect issuers' existing interest payments, which in general, have been locked in at historically low levels. Furthermore, the primary market for both loans and bonds continues to be robust, which can enable companies to refinance what little debt that is coming due and push out maturities even farther.[9]

Few Options to Obtain Yield

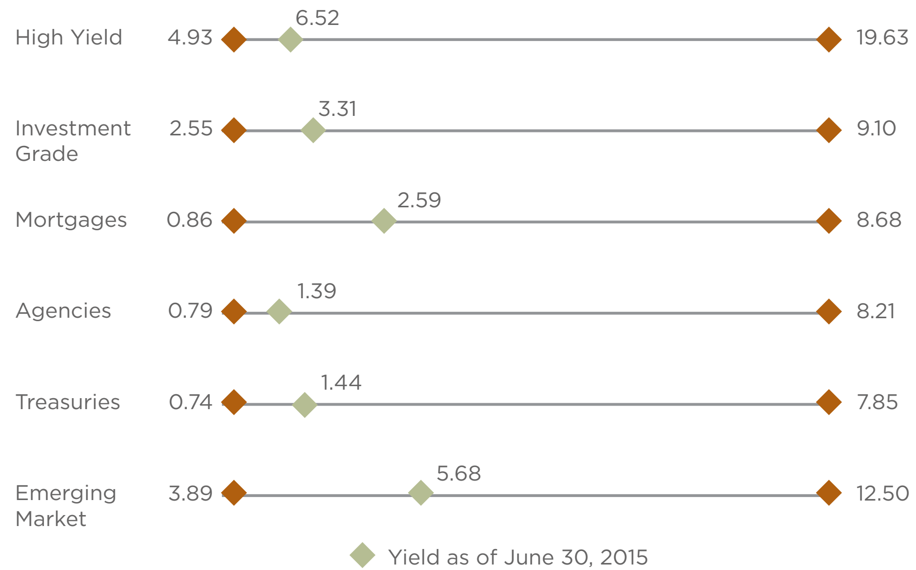
Also boding well for the leveraged credit market is its place within the context of the global fixed income market. Outside of the emerging markets and troubled sovereigns, the U.S. leveraged credit markets offer compelling yields at a tolerable risk profile to an investment community bereft of many other options.

[9] Through the first six months of 2015, the high yield bond and leveraged loan markets issued a combined $385bn of new paper, which is over 1.6x the amount of high yield bond and leveraged loan maturities coming due over the next two and one-half years.

The market will see more volatility in the near term.

As can be observed in the following chart, the high yield bond market still offers an absolute yield that is very competitive with any of the other major fixed income options.

Exhibit 7: Yield Ranges for Select Major Fixed Income Asset Classes, June 30, 1995 to June 30, 2015



Source: Morgan Stanley.

Additionally, as much as 80% of the revenues generated by U.S. high yield issuers are derived domestically, meaning that the U.S. high yield market is closely tied to the success of the U.S. economy. Given improving economic data and widespread expectations for growth in the U.S., high yield bonds should benefit from positive economic tailwinds.

Summary

Macroeconomic/geopolitical factors, such as Greece's sovereign debt issues and broad-market factors like commodity price declines continue to prevail as the primary headwinds impacting the leverage credit market's performance. Risk factors that are specific to the leveraged credit market remain less of a concern for the time being, but have definitively shown some signs of weakness.

For example, visible market metrics like spread levels, default rates, and near term maturities, coupled with an improving U.S. economy, support the case for continued investment in leveraged credit. However, at the same time, cracks are beginning to form in the market as evidenced by the negative effects arising from lower commodity prices, rate fears, and a dearth of market liquidity.

Notwithstanding both sides of the argument, the combination of all of these factors leads us to the same basic (and not surprising) conclusion—the market will see more volatility in the near term. However, given the continued backdrop of easy money and active central bank involvement, we could easily envision a scenario where the overall market trend continues on its already lengthy bull run.

With high yield issuers' debt levels continuing to escalate against the backdrop of falling profitability, investors must cast a keen eye toward examining each issuer's fundamentals and how their trends may impact creditworthiness. Consequently, investment managers must remain laser-focused on the granularities of the performance of their portfolio companies in order to anticipate potential problems and protect against any losses that may result, as well as to position themselves to take advantage of mispricings that inevitably occur during volatile times.

Organizational Update

Six Months Ending	June 30, 2015	December 31, 2014
Total Assets Under Management (MM)	$8,655	$8,028
Total Number of Accounts	44	40
Personnel Changes:		
Material Additions (Position)	Sameer Bhalla (Senior Research Analyst) Joseph Catalano (Research Analyst)	Michael Graham (Research Analyst) Melissa Bermudez (Research Analyst) Kirsten Flaherty (H.R. Director)
Material Departures (Position)	Michael Burke (Research Analyst)	None

End Notes

Data from the HYBI was used for metrics with the exception of default statistics, which were sourced from JP Morgan.

The following are descriptions of each metric:

HY Yield (YTW): the weighted-average yield to worst call of the HYBI index;

HY Spread (OAS): the weighted-average spread over the appropriate Treasury bond for the HYBI, adjusted for the price of any embedded option;

HY Default Rate: the 12-month rolling-average par-weighted default rate of the high yield market using Moody's default data and the JP Morgan Global High Yield Bond Index;

HY Leverage Ratio: the average leverage ratio of the HYBI, net of cash and calculated using a sample of approximately 357 issuers for the period ending March 31, 2015;

HY Coverage Ratio: the average interest coverage ratio of the HYBI using a sample of approximately 357 issuers for the period ending March 31, 2015;

3 yr. Maturities (HY&LL): depicts the proportion of the face value of maturing high yield bonds and loans coming due over the next 3 years to all scheduled maturities (through 2038) for the annual periods beginning December 31, 2006 through June 30, 2015.

Aggressive Use of Proceeds (HY&LL): depicts the proportion of the combined high yield bond and leveraged loan markets represented by the aggregate of LBOs, dividends, and buybacks as the use of proceeds for new high yield bond and leveraged loan transactions for the period from January 1, 1996 to June 30, 2015.

Appendix

BPS: Stands for basis points. A basis point is one one-hundredth of one percent (0.0001).

Spread: The yield of a bond minus the yield of the government bond that matches the maturity (or appropriate call date) of the bond.

Coupon: The stated interest rate paid on a bond. Coupon payments for high yield bonds are typically made semi-annually.

Current yield: calculated by dividing the weighted average coupon of the market by its average price.

Absolute Return: the return an asset achieves over a certain time period independent of any benchmark or index comparison.

Fixed Income Spread Products: refers to fixed income asset classes whose pricing (i.e., yield) is evaluated in reference to an underlying risk free rate (e.g., US Treasury bill, etc.). See the definition of Spread for further details.

Credit Risk Premium: the component of a bond's or loan's spread attributed to the creditworthiness (i.e., default risk) of an issuer.

Default Rate: the ratio of i) bonds or loans that fail to make a scheduled interest or principal payment compared with, ii) the par value of all outstanding bonds and loans.

Coverage Ratio: defined as Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") divided by Total Interest Expense of an issuer.

Leverage Ratio: defined as Total Debt divided by EBITDA of an issuer.

Enterprise Value Multiple: defined as the Total Enterprise Value (Total Capitalization less Excess Cash) divided by EBITDA.

Disclosures

Funds distributed by ALPS Distributors, Inc. DDJ Capital Management and ALPS Distributors, Inc. are not affiliated.

Jack O'Connor, head of business development and client service at DDJ, is a representative of ALPS Distributors, Inc.

The BofA Merrill Lynch Global High Yield Index tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of USD 100 million, EUR 100 million, GBP 50 million, or CAD 100 million. Original issue zero coupon bonds, eurodollar bonds, 144a securities (with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those

legacy issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, taxable and tax-exempt US municipal securities and ORD-eligible securities are excluded from the index. Index constituents are capitalization weighted based on their current amount outstanding times the market price plus accrued interest. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the BofA Merrill Lynch Bond Index Guide, which can be accessed on Bloomberg {IND2[go], 4[go]), or by sending a request to mlindex@ml.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception date: December 31, 1997. Please note that one cannot invest in the index.

J.P. Morgan Global High Yield Index is designed to mirror the investable universe of the U.S. dollar global high yield corporate debt market, including domestic and international issues. Please note that one cannot invest in the index.

Moody's Investors Service and Standard and Poor's Financial Services use a different nomenclature for their ratings system. For example, the Moody's equivalent to a S&P rating of CCC+ is Caal. For purposes of this paper, we shall refer to both such ratings as "Triple Cs". For information on the rating agencies' methodology go to: https://www.moodys.com or www.standardandpoors.com.

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ABOUT DDJ CAPITAL MANAGEMENT

DDJ Capital Management's goal is to consistently produce attractive long-term investment returns, while minimizing downside risk for our investors, which include:

> Corporate pension accounts and public retirement plans
> Endowments and foundations
> Insurance companies
> Other institutional clients

The underpinning of DDJ—a disciplined investment philosophy, coupled with a commitment to exhaustive credit research—has remained constant since our founding in 1996. Our highly skilled team is steadfast and focused on executing our strategy to identify strong risk-adjusted investment opportunities in the leveraged credit markets.

For information on DDJ's investment capabilities, please contact:

Jack O'Connor

Head of Business Development and Client Service

joconnor@ddjcap.com

Phone 781.283.8500

Web ddjcap.com