The *Transaction News Advisor*, published monthly, covers selected M&A, private equity, and credit and capital market transactions of note.

Transaction News Advisor

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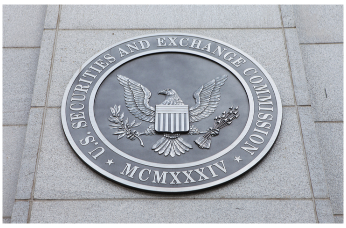
Twitter (X Holdings I, Inc.) Solvency

Elon Musk has provided plenty of punditry fodder over the years for political, social, economic and even corporate finance. In this presentation, we consider the implications of issuing a solvency opinion for the acquisition of Twitter (now known as “X”) by Elon Musk’s X Holdings I, Inc. and a few issues surrounding the hung leverage loans extended by Morgan Stanley, Bank of America and Barclays and several other European and Japanese lenders.

>> Click here to download the presentation



FACT SHEET

Private Fund Adviser Reforms: Final Rules

On August 23, 2023, the Securities and Exchange Commission (“SEC”) approved new rules and amendments to the Investment Adviser Act of 1940 that impact advisors to private funds that were initially proposed in February 2022. Among the requirements is that an adviser obtain a fairness opinion stating “that the price being offered to the private fund for any assets being sold as part of an adviser-led secondary transaction is fair; or obtain a written opinion stating the value (as a single amount or range) of any assets being sold.”

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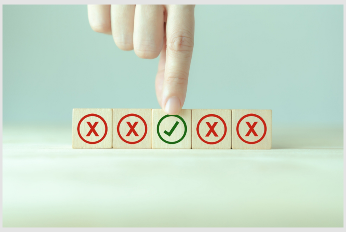


Did the SEC Consider Credit Secondaries in its Rulemaking?

The SEC rule making for adviser-led secondaries may have an equity bias. What about credit funds where the number of investments may make the fairness or valuation opinions more cumbersome to obtain?

>> Click here to read the full article

Apollo to Lend Over $4 Billion to Struggling Buyout Firms

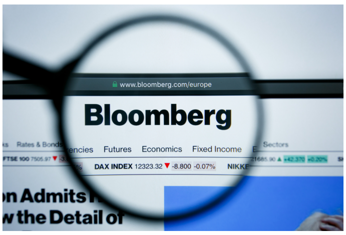
It is a tough(ish) environment to raise capital. Apollo Global Management has a high-cost solution for private equity firms that need to raise cash via so-called NAV loans that are secured by capital that investors commit to PE funds. *Institutional Investor* **offers** its upside NAV lending take, too.

>> Click here to read the full article

Allocators Aren't Happy With the NAV Lending Craze

However, not everyone likes the idea of NAV lending as a means for GPs to bridge funding gaps. NAV loans that are secured with the fund rather than individual portfolio investments represents double leverage and inserts a lender in the capital stack ahead of the LPs.

>> Click here read the full article



Struggling Corporate Borrowers Turn to Private Credit to Defer Interest

Payment-in-kind ("PIK") is seeing an upturn in usage as not all companies are able to service debt and/or refinance. *Bloomberg* offers insight into PIK financing. Mercer Capital has experience valuing PIK securities.

>> Click here to read the full article

Market Snapshot

	9/29/23	6/29/23	9/29/22	Qtr Δ	Y/Y Δ
SOFR	5.31%	5.06%	2.96%	25 bps	235 bps
2-Year UST	5.06%	4.71%	4.05%	35 bps	101 bps
10-Year UST	4.58%	3.75%	3.59%	83 bps	99 bps
BB Corp Bond Yield	7.48%	6.95%	7.74%	53 bps	-26 bps
B Corp Bond Yield	8.86%	8.68%	9.81%	18 bps	-95 bps
S&P 500	4,288	4,396	3,640	-2.5%	17.8%
NASDAQ	13,219	13,591	10,738	-2.7%	23.1%
Russell 2000	1,785	1,882	1,675	-5.1%	6.6%
	2Q23	*1Q23*	*4Q22*		
$10-$25M PE Deals	5.0x	6.2x	6.0x	-1.2x	-1.0x
$25-$50M PE Deals	6.6x	7.5x	6.9x	-0.9x	-0.3x
$50-$100M PE Deals	7.2x	8.1x	7.7x	-0.9x	-0.5x
$100-$250M PE Deals	8.5x	10.0x	7.6x	-1.5x	0.9x

Source: St. Louis Federal Reserve (FRED), S&P Global Market Intelligence, GF Data®

Mercer Capital's Recent Transactions

U.S. Based Manufacturer of Resins

$500 million dividend recap transaction

Mercer Capital rendered a solvency opinion for the referenced transaction.

– September 2023 –

WeCare Services Inc.

A Franchisee of Comfort Keepers ™

Memphis, Tennessee

was aquired by a **Private Investment Group**

Mercer Capital served as a financial advisor to WeCare Services Inc.

– May 2023 –

CAMBER ENERGY

Houston, TX

has agreed to acquire the remaining ~39% common share interest in

Viking Energy Group, Inc.

Houston, TX

Mercer Capital rendered a fairness opinion on behalf of Camber Energy

– April 2023 –

>> Click here to see more transactions <<

For more information or to discuss your needs in confidence, please contact us.

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