

Gail McDermott
Senior Managing Director
Head of Private Capital Investors

Christopher Carey, CFA
Managing Director
Head of US Regional Offices
212-576-7572
chris_carey@nylinvestors.com

Post Howland
Managing Director
Head of Agent Origination
212-576-3862
post_howland@nylinvestors.com

Colleen Cooney, CFA
Managing Director
Head of Infrastructure and Utilities
212-576-5899
colleen_cooney@nylinvestors.com

Jennifer Potenta
Senior Director
Head of International
212-576-6279
jennifer_potenta@nylinvestors.com

US Private Placement Market Update – November 2017

New issuance in the private placement market continues at a robust pace. The market has placed well over \$57 billion YTD, surpassing full year 2016 invested volumes. Corporate issuance remains strong as issuers take advantage of the low interest rate environment to refinance short term bank debt, as well as to fund acquisition and capex needs. This has been supported by increased volumes in utility, infrastructure and REIT transactions. The market has also seen a number of sizable transactions, several in excess of \$750 million, which reflects the depth and attractiveness of the private placement market to issuers.

Investment grade credit spreads have reached their tightest levels YTD, driven by solid earnings performance and strong investor demand. The yield on the benchmark 10YR US Treasury traded within a tight range during the third quarter (~2.10% - 2.40%), contributing to low all-in coupons. Given the Fed's current rate hike cycle, the yield curve continues to flatten, as represented by the 2YR to 10YR spread declining to YTD lows of ~80bps. Current market consensus calls for an additional rate hike in December, followed by three hikes in 2018. With the recent nomination of Jerome Powell as Fed Chair, policy around interest rates could change¹.

Private Capital Investors ("PCI") is having a strong year, investing over \$5.5 billion YTD and surpassing our investment activity for all of 2016. All teams have contributed to the investment results. Looking to the remainder of the year, we continue to have significant investment appetite, with the ability to delay funding in to 2018. Our portfolios can accommodate an array of fixed

rate transactions with maturities ranging from 5 to 30 years, as well as floating rate transactions with maturities from 5 to 10 years. While demand for private placement assets outstrips supply and transactions continue to be oversubscribed, PCI remains a market leader and a top investor.

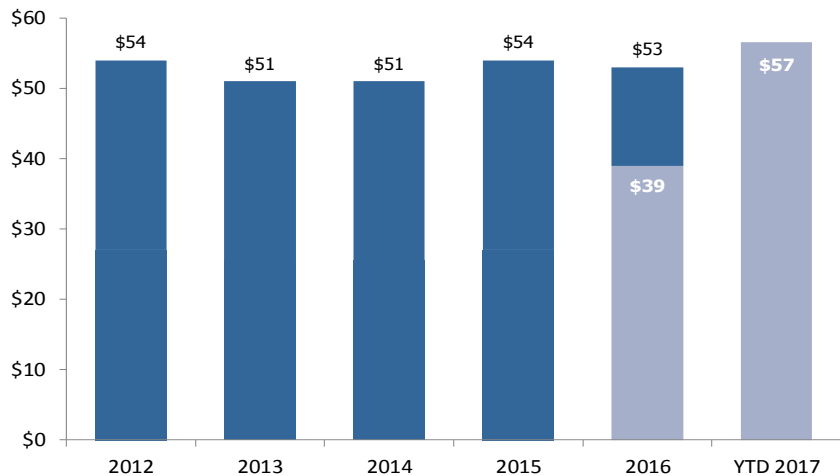
Our Infrastructure team has seen a steady supply of new opportunities. The team has invested over \$2 billion YTD in infrastructure and utility transactions. Examples of infrastructure assets that we have invested include gas-fired power generation, renewables (wind, solar and hydro), water companies, pipelines, transmission lines, and stadiums. Many utilities, even those who issue public debt, use the private placement market because of strong investor demand for long dated paper, the ability to delay funding for up to nine months, and the option to do club transactions with only a small group of investors. We expect to significantly invest in the asset class over the coming years.

The International team has seen an uptick in activity from the UK post-Brexit, with both first time and repeat issuers accessing the market. Outside the UK, there has been limited activity from Europe, Australia, and New Zealand. The team participates in broadly marketed offerings as well as "club" transactions where issuers self-arrange their financing. We offer funding in currencies other than USD, including Sterling, Euros, Canadian and Australian dollars. With the recent ECB announcement that it will reduce its bond buying program over the coming year, we hope to see more issuance in the US Private Placement market from European and UK issuers.

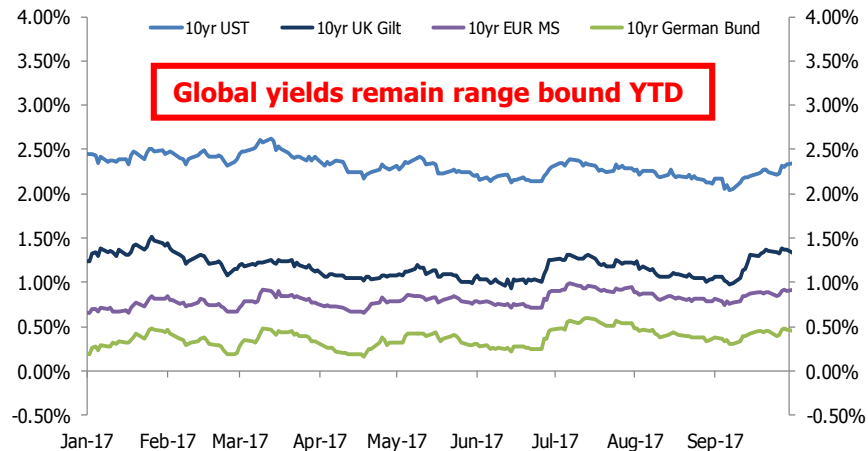
Please feel free to contact us with any questions. For further information please visit our website at <http://www.newyorklife.com/privatecapitalinvestors>

¹Source: Private Placement Monitor, Bloomberg and Barclays Capital, September 30, 2017.

Historical USPP Volumes (\$ in billions)¹



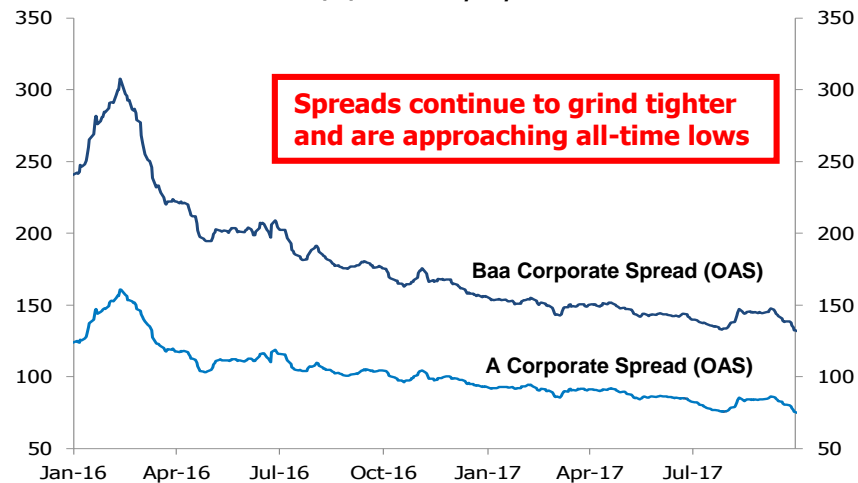
**Benchmark Yields²
1/1/2017 – 9/30/2017**



**2YR-10YR Spread (bps)²
1/1/2017 – 9/30/2017**



**Public Credit Spreads (bps)²
1/1/2016 – 9/30/2017**



¹Source: Private Placement Monitor, September 30, 2017.

²Source: Bloomberg and Barclays Capital. Benchmark Yields and Barclays corporate bond index as of September 30, 2017.



Private Capital Investors¹ is the private debt investment arm of NYL Investors LLC, which is a wholly-owned subsidiary of New York Life Insurance Company (NYL) – one of the largest mutual life insurance companies in the United States with the highest ratings for financial strength currently awarded to a U.S. life insurer. (Moody's – Aaa, from Credit Opinion, August 2017. S&P – AA+, from Rating Report, August 2017. Fitch – AAA, from Rating Report, August 2017. AM Best – A++, from Rating Report, August 2017.) Note that New York Life Insurance (NYL) ratings are not NYL Investors' rating and that these ratings are based on the financial strength of NYL and apply only to obligations issued or guaranteed by NYL.

The views expressed reflect the judgment of the author as of the date thereof and are subject to change. Any forward-looking statements are based on a number of assumptions concerning future events and may change without notice as economic and market conditions change. Opinions expressed herein may differ from opinions expressed by other areas of NYL Investors. Although the information has been obtained from sources which we believe to be reliable, NYL Investors makes no representation regarding its accuracy or completeness. This presentation is for informational purposes only. It is not intended as a recommendation to buy any financial product, or an offer or solicitation of an offer to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation nor does it constitute a commitment by NYL Investors to enter into any transaction. This presentation does not purport to be all-inclusive or to contain all of the information an interested party may need to make investment decisions. It is not intended to provide investment advice and does not take into consideration individual investor circumstances. Different types of investments involve varying degrees of risk, and prospective investors should consult with their own advisors when considering this information. Past performance is not indicative of future results.