

2Q18 - HIGHLIGHTS

The second quarter of 2018 was anything but boring; the World Cup in Russia kicked off with a number of upsets, including Germany's loss to Mexico (which literally caused an earthquake, measuring from 1 to 2 on the Richter scale), Spain's loss to Russia in penalty kicks. France ended up battling the underdog Croatia in the finals and took the Cup with a 4-2 win.

The Trump administration met with North Korean leader Kim Jong-un to discuss nuclear disarmament, G.E. was dropped from the Dow Jones, and the equity markets bounced into red for 2018, with only the Dow remaining red as drama began to develop moving into May. Tensions with China continue to grow as the Trump administration implemented tariffs in response to accusations of Chinese theft of American intellectual property as well as Chinese protectionist policies.

Overall, the markets quarter over quarter (QoQ) performance saw an uptick, with varying degrees dependent upon industry. The Russell 2000 was the best performing index by far, yielding 7.4% QoQ, with the NASDAQ and S&P 500 trailing at 6.3% and 2.9% respectively. However, the Dow Jones struggled to remain positive at 0.7%.

Market Performance			
Index	QoQ %	YTD%	TTM %
NASDAQ	6.3%	7.2%	22.3%
Dow Jones	0.7%	-2.2%	13.7%
S&P 500	2.9%	0.8%	12.2%
Russell	7.4%	6.0%	16.1%

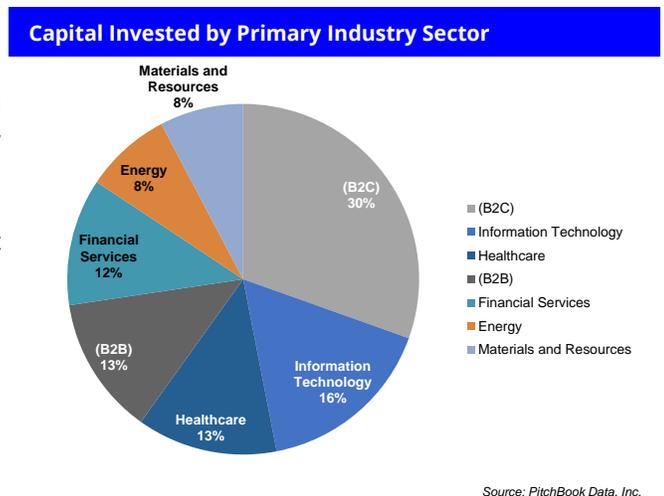
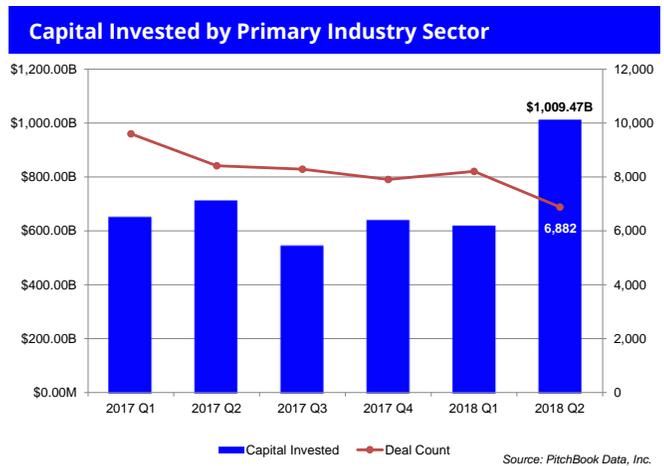
INVESTMENTS ACTIVITY

Investment activity during the second quarter of 2018 saw the strongest capital investment activity in the prior 10 quarters; breaching \$1 trillion, representing a 63% jump in capital invested over prior quarter.

While capital investment reached a 10 quarter high, the total number of transactions and financing deals reached a 10 quarter low, representing a 16% drop QoQ. This is largely due to a number of mega mergers having taken place and which are discussed more on page 2.

The B2C industry sector, which includes things such as media, wholesale, education and real estate to name a few, saw the largest capital investment during 2Q18. This is primarily due to the mega mergers seen during Q2, including Disney's acquisition of 21st Century Fox, and AT&T's acquisition of WarnerMedia.

The usual leading sectors of technology and healthcare trailed at \$184.8bn and \$144.9bn respectively.



TOP TRANSACTIONS
M&A Top Transactions - 2Q18

Deal Date	Investors	Acquirer	Deal Size \$MM	Valuation / EBITDA	Valuation / Revenue	Description
13-Jul-2018	Spectrum Brands (NYSE: SPB)	HRG Group	10,000.00	5.12x	2.71x	The combination of Spectrum Brands and HRG Group creates an independent company with a more widely distributed shareholder base, meaningfully increased trading liquidity in its common stock and an independent governance structure
12-Jul-2018	Broadcom (NAS: AVGO)	CA Technologies (NAS: CA)	19,000.00	14.37x	2.91x	Broadcom intends to fund the transaction with cash on hand and \$18.0 billion in new, fully-committed debt financing. This combination aligns the company's expertise in software with the acquirer's leadership in the semiconductor industry.
28-Jun-2018	Synnex (NYSE: SNX)	Convergys (NYSE: CVG)	2,630.00	15.28x	4.32x	The acquisition enables the acquirer to better serve the combined organization's increased scale, strong talent, best-in-class analytics, technology, and digital offerings, and a shared commitment to helping them successfully navigate the increasingly complex CX ecosystem.
20-Jun-2018	The Walt Disney Company (NYSE: DIS)	21st Century Fox (NAS: FOXA)	85,100.00	2.36x	0.82x	The acquisition will complement and enhance The Walt Disney Company's ability to provide consumers around the world with more appealing content and entertainment options. Immediately prior to the acquisition, 21st Century Fox will separate the Fox Broadcasting network and stations, Fox News Channel, Fox Business Network, FS1, FS2 and Big Ten Network into a newly listed company ("New Fox") that will be spun off to its shareholders.
14-Jun-2018	AT&T (NYSE: T)	WarnerMedia	85,400.00	15.01x	0.92x	The deal combines Time Warner's vast library of content and ability to create new premium content for audiences around the world with acquirer's extensive customer relationships and distribution, one of the world's largest pay-TV subscriber bases and leading scale in TV, mobile and broadband distribution.
07-Jun-2018	Bayer (ETR: BAYN)	Monsanto	63,000.00	12.69x	4.49x	Bayer intends to finance the transaction with a combination of debt and equity. The equity component of approximately \$19 billion is expected to be raised through an issuance of 4 billion euros in mandatory convertible notes and through a \$7 billion rights issue with subscription rights.
29-May-2018	Microchip Technology (NAS: MCHP)	Microsemi	10,312.00	15.83x	2.36x	The Microsemi acquisition will significantly enhance the acquirer's product portfolio, end-market diversification, operational capabilities and customer scale. The deal would also strengthen acquirer's base in the computing and communications sectors, which together accounted for less than 15 percent of its full-year sales.
21-May-2018	Wabtec (NYSE: WAB)	GE Transportation	11,100.00	22.32x	5.44x	The combination will make Wabtec a Fortune 500, global transportation leader in rail equipment, software and services, with operations in more than 50 countries. The deal is expected to close in 2019.
29-Apr-2018	T-Mobile (NAS: TMUS)	Sprint (NYSE: S)	26,500.00	19.68x	2.48x	The combined company will be named T-Mobile and will have lower costs, greater economies of scale, and the resources to provide U.S. consumers and businesses with lower prices, better quality, unmatched value, and greater competition.
27-Apr-2018	Marathon Petroleum (NYSE: MPC)	Andeavor (NYSE: ANDV)	23,300.00	0.96x	7.75x	The company (NYSE: ANDV) reached a definitive agreement to be acquired by Marathon Petroleum (NYSE: MPC) for \$23.3 billion on April 27, 2018. Marathon offered 1.87 new common shares or \$ 152.27 in cash per Andeavor share.

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Represented Healthcare Transactions



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ASSISTED LIVING
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