Siebert Cisneros Shank & Co., L.L.C.

2018 Capital Markets year in Review

Member FINRA & SIPC

First Quarter 2019

Wall Street's leading woman-owned firm is a growing player in capital markets and corporate finance

Suzanne Shank, *Chairwoman, CEO, founder, & primary stakeholder of Siebert Cisneros Shank*

As founder, Chairwoman, CEO, and majority stakeholder of Siebert Cisneros Shank, Suzanne Shank is one of the top female leaders in the financial sector.

Over more than two decades, Ms. Shank has built a leading financial services firm that partners with private corporations, public companies and municipal issuers, helping them achieve their capital raising and strategic goals by leveraging the firm's underwriting, distribution, and advisory platforms.

In addition to numerous prior accomplishments, in 2018, Ms. Shank was:

- elected to CMS Energy's (NYSE:CMS) and Consumers Energy's Board of Directors;
- appointed to the Boards of Directors of: Global Citizen, the Detroit Institute of Arts, and the Detroit Regional Chamber of Commerce;
- presented the "W. W. Law Legacy Award" by King-Tisdell Cottage Foundation, and
- inducted as a member of the Executive Leadership Council

The firm, co-founded by Ms. Shank, has one of the most diverse banking teams in the industry (including approximately 57% minority employees). Additionally, Siebert Cisneros Shank possesses a strong net capital position for a firm of its size and boasts a team with formidable experience gained from long-standing tenures at many of the leading investment banking firms on Wall Street.

Siebert Cisneros Shank ranks highly amongst its peers as shown in the adjacent table.

2018 CORPORATE AND MUNICIPAL DEBT AND EQUITY ISSUANCES

Rank	Manager	Gross Proceeds Inc. Overallotment Exercised ($ Mil)	# of Issues
1	Williams Capital Group	34,382.8	143
2	Ramirez & Co.	22,608.3	121
3	Loop Capital Markets	20,967.5	123
4	Academy Securities	15,849.2	70
5	**Siebert Cisneros Shank & Co.**	**11,880.1**	**85**
6	Drexel Hamilton	10,622.1	43
7	CastleOak Securities	9,284.0	41
8	Mischler Financial Group	7,876.6	42
9	Blaylock Van	5,238.6	23
10	MRF Securities	5,011.2	16

Source for rankings: Thomson Reuter's Eikon as of 12/31/2018.

SCS significantly increased deal flow while expanding its corporate client base

2018 was a year of continued growth for SCS. Corporate Investment Banking saw a nearly 30% boost to its deal flow from 2017. The firm had tremendous success in helping our clients strengthen their balance sheets, participating in over $116.1 billion in corporate finance transactions across debt, equity, and hybrid securities. Consistent with an expanding platform, one-fifth of our transactions in 2018 were with new clients.

Growth of the investment grade corporate debt new issue market over the past ten years has been robust with high grade supply doubling. That being said, 2018 was the first year in a decade that volumes did not see an increase over the previous year. If we look back to the beginning of 2018, a decrease in volumes was highly anticipated with the new tax legislation being passed into

Continued on page 7...

Merger & Acquisition activity—a bright spot

$16.0 billion
Walmart
flipkart
Co-Manager
9-part Debt Offering
2-year Notes to 30-year Bonds
June 2018

$2.15 billion
Constellation Brands
CANOPY GROWTH CORPORATION
Co-Manager
3NC1 FRN due 2021
4.40% due 2025
4.65% due 2028
5.25% due 2048
October 2018

$1.1 billion
GAMING&LEISURE PROPERTIES, INC
Pinnacle Entertainment
Joint Bookrunner
5.25% Notes due 2025
5.30% Notes due 2029
September 2018

Domestic M&A-related issuance rebounded in 2018, ending the year at $260 billion, up 31% from last year and constituting 22% of total high-grade issuance. This was markedly higher than 2017, which finished with $198 billion and only 15% of total volume. 2018's volumes were on par with the booming years of 2015 and 2016, which saw $275 billion and $260 billion, respectively. Of note, 2015 was a record year for acquisition financings.

Globally, announced deals also saw substantial growth, finishing 2018 at $4.1 trillion—the third highest level ever. Growth in M&A activity was helped by several positive global and domestic economic trends, but the biggest tailwind was new tax legislation that provided access to overseas cash.

Although analysts are predicting momentum in announced deals will continue in 2019, M&A-related issuance is estimated to decrease about 20%, coinciding with the market calling for another drop in high grade supply again this year. A murky interest rate environment, volatility in the markets, global economic and political uncertainty, repatriation, and reduced tax benefits of corporations issuing debt are some of the major headwinds that will continue into 2019.

SCS is keenly focused on supporting our clients' acquisition financing needs. The firm was mandated roles in three large M&A transactions during 2018 (tombstones above) and successfully generated substantial, incremental orders across the maturity curve in each deal.

Equities—increased volumes and flow in a tough market environment

SCS continues to grow its Equity Capital Markets platform. The Institutional Equity Sales and Trading desk had a 17% increase in volumes and continues to add new clients nationwide. This growth was achieved in an extremely volatile market with record highs and lows, the worst December in fifty years, and for the first time in a decade with all three major indices ending in the red.

Thankfully, the equity markets have started 2019 on a positive note with the Dow (+7.2%) and S&P 500 (+7.9%) on pace for their strongest January since 1989 and 1987, respectively.

J.P. Morgan analysts expect that companies should provide a more balanced tone, as it relates to earnings per share growth for 2019. The earnings backdrop, coupled with depressed valuation and investor positioning, should provide double-digit upside for equities with potential for the S&P 500 to reach 3,000 this year.

Our corporate finance team and trading desk successfully helped our corporate clients execute their share repurchase programs, repurchasing nearly 13 mil-

$880 million
CUSHMAN & WAKEFIELD
Co-Manager
51.75 million shares
Initial Public Offering
July 2018

$841 million
Gates
Co-Manager
44.275 million shares
Initial Public Offering
January 2018

$837 million
BJ's
Co-Manager
32.20 million shares
Follow On
September 2018

$683 million
Pivotal
Co-Manager
42.55 million shares
Initial Public Offering
April 2018

lion shares for over $1.5 billion in principal. Buybacks, as measured by total U.S. stock repurchase announcements, crossed the $1 trillion mark for the first time and 2019 is expected to follow in a similar fashion. J.P. Morgan recently estimated at least $800 billion worth of buybacks will take place in 2019, due to increased profits and continued cash repatriation from tax legislation.

SCS participated in over $5.1 billion of initial public offerings and follow-ons in 2018, up 78% YOY. Our national sales and marketing platform generated strong investor demand, helping to diversify order books during the marketing process. Some selected transactions are highlighted at the bottom of page 2.

The U.S. equity IPO market was tougher on investors than issuers, returning -2% on average, with aftermarket returns of -17%. However, the overall market saw a 19% increase in deal count and a 32% increase in proceeds raised, representing the highest volumes since 2014. According to Renaissance Capital, 190 deals raised $47 billion in 2018 versus 160 deals that raised $36 billion in 2017. The totals represent a continued rebound from 2017's dismal performance—though still below the 2014 high when 275 IPOs priced, raising nearly $90 billion.

Healthcare again took the top spot for number of IPOs priced with 76 deals in 2018, followed by Technology with 52 and Financials with 18. Technology took the top spot for proceeds with $18 billion, followed by SPACs with $9.7 billion. Consumer Staples IPOs had the best performance (+30%), followed by Consumer Discretionary at +14%, and Real Estate at +3%. The worst performing industry groups were Utilities and Industrials, both down 44%. The 10 largest IPOs, each generating more than $1 bil-

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Financial Services Engagements—*56% Growth*

SCS saw robust volumes from our Financial Services clients in 2018. The sector was the largest issuing group—raising over $500 billion, with banks being the largest contributor with approximately $400 billion. Maturing debt is always a key driver in estimating volume levels. The high-grade market has $564 billion maturing in 2019—financials making up 45% of the total. Nevertheless, CreditSights' analysts are calling for a decrease of 8% in Financial Sector issuance in 2019, in line with the larger investment grade estimated 8.3% decrease.

$800 million
JPMorgan Chase & Co.
Co-Manager
2NC1 due 2020
SOFR-linked FRN
October 2018

$1.0 billion
Prudential Financial
Co-Manager
30C10 Notes due 2048
September 2018

$2.25 billion
Ford Credit
Selling Group
FRNs due 2021
3.813% Notes due 2021
4.687% Notes due 2025
August 2018

$6.0 billion
Bank of America
Co-Manager
6NC5 FRNs due 2024
6NC5 Note due 2024
11NC10 Notes due 2029
July 2018

$2.5 billion
citi
Co-Manager
4.65% Notes due 2048
July 2018

$4.5 billion
BARCLAYS
Co-Manager
FRNs due 2024
6NC5 due 2024
11NC10 due 2029
May 2018

$5.0 billion
Goldman Sachs
Co-Manager
11NC10 Notes due2029
21NC20 Notes due 2039
April 2018

$2.5 billion
AIG
Co-Manager
4.20% Notes due 2028
4.75% Notes due 2048
5.75% Jr. Notes due 2048
March 2018

$2.5 billion
TOYOTA MOTOR CREDIT CORPORATION TMCC
Co-Manager
5-part Debt Offering
2-year to 10-year Notes
January 2018

Government-Sponsored Enterprise (GSE) Business—growth driver

SCS saw significant growth in its GSE Platform, having participated in both Global New Issue Bullets and Credit Risk Transfer transactions for Fannie Mae, Federal Home Loan Bank, and Freddie Mac—with SCS being awarded additional mandates as a result of our ability to bring new investors into the transactions. Consequently, our new issue participations in 2018 exceeded our mandates for 2014 – 2017 combined.

The sales team has worked hard onboarding several new accounts nationwide, resulting in a 54% increase in our Discount Note volumes, with that momentum continuing into 2019.

$3.0 billion
FHLBANKS
A NATION OF LOCAL LENDERS
Selling Group
3.00% Notes due 2021
October 2018

$2.0 billion
Fannie Mae
Co-Manager
2.875% Notes due 2023
September 2018

$2.5 billion
Freddie Mac
Co-Manager
3.40% Notes due 2021
April 2018

$922 million
Fannie Mae
Selling Group
Connecticut Avenue Securities (CAS) 2018-R07
November 2018

Utility Sector Mandates increased by 40%

As we headed into 2018 with knowledge that there could be a marked decrease in TMT issuance, SCS focused on other sectors, particularly Utilities. Our volumes reflected our concerted efforts with a 40% increase in engagements.

Analysts' forecast 2019 issuance to be $60 – $65 billion, split between maturing debt and capex. Expectations for capital expenditures in 2019 are approximately $25 billion. Of the 11 sectors in the S&P 500, Utilities and Health Care were the only two ending positive for the year.

$350 million
atlantic city electric
Co-Manager
4.00% Notes due 2028
October 2018

$1.325 billion
American Water
Co-Manager
3.75% Notes due 2028
4.20% Notes due 2048
August 2018

$500 million
ALABAMA POWER
A SOUTHERN COMPANY
Co-Manager
4.00% Notes due 2048
June 2018

$425 million
Ameren MISSOURI
Co-Manager
4.00% Notes due 2048
April 2018

$1.25 billion
SOUTHERN CALIFORNIA EDISON
An EDISON INTERNATIONAL Company
Co-Manager
2.90% FMBs due 2021
3.65% FMBs due 2028
4.125% FMBs due 2048
February 2018

$1.0 billion
DUKE ENERGY. CAROLINAS
Co-Manager
3.05% FMBs due 2023
3.95% FMBs due 2048
February 2018

$1.0 billion
FPL
Co-Manager
3.95% FMBs due 2048
February 2018

Selected Siebert Cisneros Shank Investment Grade Transactions

$2.15 billion
Constellation Brands
Co-Manager
3NC1 FRNs due 2021
4.40% Notes due 2025
4.65% Notes due 2028
5.25% Notes due 2048
October 2018

$5.0 billion
Pfizer
Co-Manager
6-part Debt Offering
3-year Notes to 30-year Bonds
September 2018

$2.1 billion
GM
Co-Manager
FRN due 2021
5.00% Notes due 2028
5.95% Notes due 2049
September 2018

$1.3 billion
Hewlett Packard Enterprise
Co-Manager
3NC1 FRN due 2021
3.50% Notes due 2021
September 2018

$1.1 billion
GAMING&LEISURE PROPERTIES, INC
Joint Bookrunner
5.25% Notes due 2025
5.30% Notes due 2029
September 2018

$1.8 billion
Co-Manager
3.35% Tap due2023
3.80% Tap due 2028
4.45% Notes due 2048
August 2018

$750 million
at&t
Underwriter
5.625% 49NC5 Global
Notes due 2067
July 2018

$16 billion
Walmart
Co-Manager
9-part Debt Offering
2-year Notes to 30-year Bonds
June 2018

$1.0 billion
Kellogg's
Co-manager
3.25% Notes du 2021
4.30% Notes due 2028
May 2018

$1.6 billion
DELTA
Co-Manager
3.40% Notes due 2021
3.80% Notes due 2023
4.375% Notes due 2028
April 2018

$2.874 billion
verizon
Co-Dealer Manager
Debt Tender Offer
March 2018

$3.2 billion
COMCAST
Co-Manager
3.55% Notes due 2028
3.90% Notes due 2038
4.00% Notes due 2048
February 2018

Global Green, Social, and Sustainability Bonds hit record volumes

Green Bonds hit a record volume of $167 billion last year. Although below the 80%+ growth of the prior two years, 2018 saw a 6% increase over 2017—even with global bond issuance down 7.6% and U.S. high grade volumes down 12.2%.

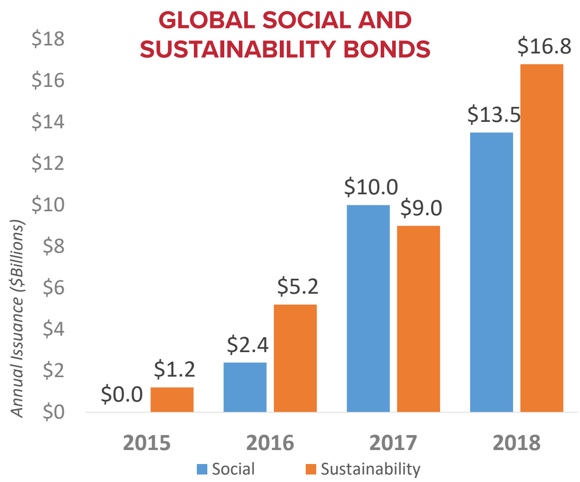
Green Bonds continued to increase their market share of overall global bond issuance, garnering 2.5% of total issuance in 2018, with a 4.4% share in 4Q18. This compares to 2.2% of total issuance in 2017. Since the first green bond issuance in 2007, $515 billion of green bonds have come to market.

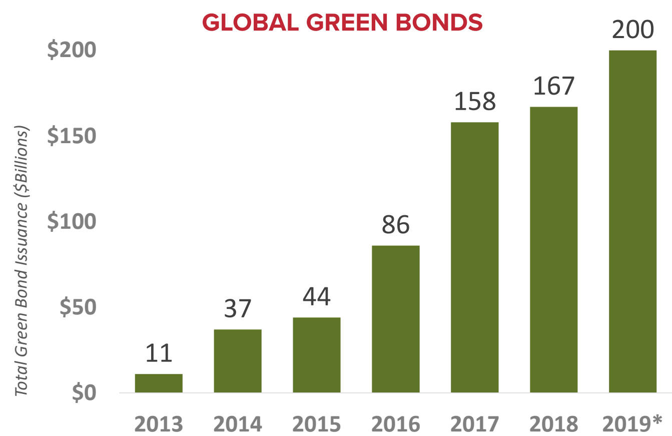
Moody's estimates Green Bond issuance to hit $200 billion in 2019—a 20% increase, and S&P is calling for $180 billion. Demand for green/sustainable investments significantly outpace supply. Assets Under Management (AUMs) using sustainable investing strategies grew to $12.0 trillion from $8.7 trillion in 2016. Green Bond specific mutual funds globally totaled $5.3 billion at the end of last summer.

Continued diversification in issuing entities, countries and use of proceeds drives growth. Financial Corporates were leaders last year with 30% of issuance, up from a mere 4% in 2014 and 14% in 2017. Conversely, development banks (EIB/World Bank) dominated in 2014 with 41% of issuance and ended 2018 with 9% market share. The U.S. was the leading issuing country with $34.5 billion (21%) and China came in second with $31.3 billion (19%). A record 46 countries participated in the green bond market in 2018, up from 38 in 2017 and 28 in 2016. Use of proceeds diversification prevailed in 2018 with energy projects falling from 50% of issuance in 2014 to 32% last year, while water, transport, and buildings all increased volumes.

2018 saw $13.5 billion of Social Bonds and $16.8 billion in Sustainability Bonds issued globally, up 60% from 2017. Development banks have been the main issuers of social and sustainable bonds, like they were in the infancy of the green bond market back in 2007.

Green, Social and Sustainability bond issuance came in at $198 billion, up from $177 billion in 2017—with social and sustainability bonds comprising 15% of that total vs. 10% in the prior year.





Source for graphs: Moody's

SCS continues to expand with strategic hires in 2018

Eloner Habtezghi, Managing Director

Eloner Habtezghi is a Managing Director in the Corporate Finance, Capital Markets & Advisory Group focused on the Energy and Commodities sectors. Ms. Habtezghi has a multi-disciplinary background with over 20 years experience in energy operations and investment banking across domestic and international markets.

Throughout her career, Ms. Habtezghi served in key roles advising public and private firms and international investors across the oil & gas, power, mining, chemicals and industrial sectors at investment banking firms, BNP Paribas, KPMG Corporate Finance, Banc of America Securities and JPMorgan. Her experience includes a broad range of transactions including corporate divestitures, sell-side and buy-side M&A, and debt and equity capital markets. Ms. Habtezghi has arranged and executed over $10 billion in debt and equity issuances.

Prior to investment banking, Ms. Habtezghi began her career as a reservoir engineer for Phillips Petroleum Company focused on US Lower 48 conventional and unconventional basins.

Ms. Habtezghi earned a Bachelor of Science Degree in Petroleum Engineering from the University of Oklahoma and an MBA from Southern Methodist University. She holds Series 7, 79 and 63 licenses.

Deal Flow, continued from page 1

law. In particular, corporate bond issuance in the TMT sector was estimated to be down significantly due to repatriation rules in the new tax law. It became more cost effective for corporations to repatriate oversees cash to fund acquisitions, CapEx, share repurchases, and dividend payments, than to issue bonds to finance these expenditures.

As expected, large TMT clients like Apple, AT&T, and Microsoft were noticeably absent from the debt capital markets last year. SCS was keenly mindful of this market dynamic going into the year and focused heavily on other sectors and product offerings. SCS saw 56% and 40% increases in its Financial Services and Utilities client deal flows, respectively. In equity capital markets, SCS increased equity sales and trading volumes by 17%, and significantly expanded our equity new issue and follow-on business. IPOs and follow-ons finished the year with a two-fold gain in deal flow and 78% increase in volumes for the firm.

EMPLOYEES' AWARDS, RECOGNITIONS AND ACHIEVEMENTS IN 2018

Suzanne Shank, Chairwoman & CEO

- *Elected to CMS Energy's (NYSE:CMS) and Consumers Energy's Board of Directors*
- *Appointed to the Boards of Directors of:*
  - *Global Citizen, the Detroit Institute of Arts, and the Detroit Regional Chamber of Commerce*
- *Was presented the "W. W. Law Legacy Award" by King-Tisdell Cottage Foundation*
- *Inducted as a member of the Executive Leadership Council*

Henry G. Cisneros, Principal

- *Received the MALDEF, "Lifetime Achievement, Excellence in Public and Community Service Award"*
- *Was presented with the Texas A&M-San Antonio "Dream Maker Award"*
- *Received the NHP Foundation "Affordable Housing Leader Award"*

Gary Hall, Principal/National Head of Investment Banking

- *Elected as Chair of the Finance Committee of the Municipal Securities Rulemaking Board (first African-American to serve in this position)*

Derek McNeil, Managing Director/ Head of Mid-Atlantic Region

- *Named the Leukemia & Lymphoma Society (LLS) "Man of the Year—Connecticut Chapter"*
- *Appointed Chairman of the Board for Trey Whitfield Foundation, Inc. (Brooklyn, NY)*

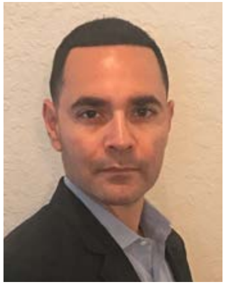
Patricia Koetzner, Managing Director, Capital Markets

- *Elected as President of the Security Traders Association of New York (STANY)*

David Stinfil, Vice President

- *Selected as a "Rising Star" by the* Bond Buyer

Strategic Hires, continued...



Michael Rachimi, Managing Director

Michael Rachimi is a Managing Director in the Fixed Income Sales & Trading group. Mr. Rachimi has over 18 years of fixed income sales and trading experience, including roles at JPMorgan Chase & Co. and Morgan Stanley.

Throughout his career, Mr. Rachimi has covered some of the nations largest public and private institutions. He has extensive trading experience in multiple products: commercial paper, GSEs, investment grade, high yield, mortgage and asset backed securities, municipals, and US treasuries, among others. Mr. Rachimi earned a Bachelors degree and an MIS from SUNY Albany.

Blake West, Associate

Blake West is an Associate in the Corporate Finance, Capital Markets & Advisory Group. Prior to working at Siebert, Mr. West was an Analyst in the Investment Banking Healthcare group at Citi.

Mr. West earned a Bachelor of Business Administration in Finance from Howard University. He holds Series 79 and 63 licenses.

Equities, continued from page 3

lion, accounted for 35% of total proceeds in 2018. The 5 largest IPOs were AXA Equitable Holdings, PagSeguro Digital, iQIYI, and Pinduoduo which colllectively raised over $10 billion in proceeds. The top 10 IPOs averaged a first-day gain of 15%, yet by year-end had an average return of -8%.

The best-performing IPOs of 2018 were primarily Healthcare, with 6 of the top 10. Tilray, which was the only US-listed name participating in Canada's cannabis industry was the highest performing IPO, finishing the year up 315%.

Private equity issuance volumes were up over 19%, but overall deal count declined from 46 to 44 offerings. Private equity owners had three billion-dollar IPOs including Pinduoduo, StoneCo and ADT. Venture capital backed IPOs were 46% of total issuance, up 33% in proceeds and 46% in deal count.

SPAC IPOs reached an 11-year high, with 46 coming in shy of $10 billion, cumulatively. Deal count was up 44%, with three raising over $500 million each. SPACs targeting the Technology sector led the way with nine transactions raising $2.5 billion in aggregate. China IPOs came in at the highest level since 2010, with 32 transactions raising a total of $8.9 billion.

There were 223 companies that filed for an IPO in 2018, which was up 14% over 2017. Some of the larger names that have filed, did so confidentially, but the list strongly rumored to go public include Uber, Lyft, Plantir, Pinterest, Slack, Postmates, CrowdStrike and CloudFlare.

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Please take a look at our new website at:
https://www.scscapital.com

Member FINRA & SIPC

Source for rankings throughout document: Thomson Reuters/SDC
(Note: Senior manager rankings are full credit to book-runner, equal if joint; co-manager rankings are full credit to each co-manager. All rankings in this document are for the full year of 2018 and as of January 15, 2019.)