

Celebrating CLO performance

With CLOs having proven their worth through the crunch, managers and investors had much to be proud of as they gathered for the recent Creditflux CLO Awards. *Tom Davidson* reports

After the Creditflux Manager Awards of late 2008, many guests left wondering if they had just attended the last ever structured credit awards. Three years later, CLOs have proven their worth, and the awards returned with 250 managers and investors crowding into the Hotel Russell in London at a sold-out dinner.

The Creditflux CLO Awards 2011 rewarded individual CLOs, CLO managers and funds that invest in CLOs. With 293 CLOs submitted by almost 50 CLO managers there was no shortage of competition, and the winners represent every face of the CLO market, from large US managers to boutique European firms.

It is always a challenge to judge objectively the performance of funds as complex as CLOs. But the Creditflux ParPlus ratio, a uniquely quantitative methodology, has become a popular answer to that problem. This metric rewards deals that have generated outstanding returns to equity investors, while preserving par value for the benefit of debt holders. The ParPlus ratio does this by combining the change in a CLO's par value since inception (applying the same haircuts for defaulted and distressed assets as in the overcollateralisation ratio), and its annualised return on equity.

For the overall awards, managers were judged on the average out-performance of each of their CLOs against its vintage, with haircuts applied for any deals not submitted. Managers without any finalists for individual awards could still do very well if all their deals were outper-



The GoldenTree team, with Steve Tananbaum (centre)

forming their peers, rather than just one or two.

The CLO fund awards also saw the return of another tried and tested methodology, blended out-performance, which combines both absolute returns and Sharpe ratios.

Among many worthy winners, GoldenTree Asset Management scooped the most prestigious award of the evening, the Creditflux CLO Manager of the Year, for its outstanding overall performance across US, European and mid-market CLOs, and an excellent CLO fund as well. Guggenheim was another big winner, taking both the Best 2007 US CLO category for individual deals and the overall Best US CLO Manager award. Harbourmas-

ter again dominated the European CLO categories with four separate trophies, but CVC Cordatus also had a good night, taking the Best 2007 European CLO category before being named Best Boutique European CLO manager.

The two CLO fund categories were particularly close after 12 months of outstanding returns as the secondary CLO market rebounded. In the end, Indicus and GSO/Blackstone shared the awards.

The Manager Awards 2012 will be held at the same time next year, and we welcome any feedback or suggestions for our methodology for then. Please contact Tom Davidson on +44 20 72534807 or data@creditflux.com.



Sean Griffin & Michael Damaso

Best US CLO manager
Sponsored by JP Morgan
Guggenheim Partners

Finalists: Credit Suisse Asset Management, GoldenTree Asset Management, ING Investment, Symphony Asset Management



Jeff Kushner

Best boutique US CLO manager
BlueMountain Capital Management

Finalists: McDonnell Investment Management, UrsaMine Credit Advisors, West Gate Horizons Advisors



Alex Leonard, David Quirolo & Alan Kerr

Best European CLO manager
Sponsored by Ashurst
Harbourmaster Capital

Finalists: Babson Capital, GSO/Blackstone, Pramerica Investment Management



Pradeep Rao, Ben Edgar, Jonathan Bowers & Marcus Austin

Best boutique European CLO manager
Sponsored by Virtus Partners/Citi
CVC Cordatus

Finalists: Cairn Capital, CQS, Indicus Advisors



John Spedding & Ujjaval Desai

Best CLO recovery fund
Sponsored by BNY Mellon
Indicus Credit Opportunity Fund – Indicus Advisors

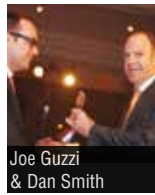
Finalists: Alcentra Structured Credit Opp. Fund – Alcentra, GoldenTree CLO Debt Rec. Fund II – GoldenTree Asset Management



Miguel Ramos

Best CLO fund
Sponsored by BNY Mellon
Carador Income Fund – GSO/Blackstone

Finalists: Alegra ABS I – Alegra Capital, Tetragon – Tetragon, Uniqa Structured Credit Fund – Uniqa Alternative Investments, Volta Finance – AXA Investment Managers



Joe Guzzi & Dan Smith

Best recent US CLO
Sponsored by Newedge Group
Columbus Park CLO – GSO/Blackstone

Finalists: Babson Loan Opportunity CLO – Babson Capital, Carlyle Credit Partners Fin. I – Carlyle Group, Symphony CLO VI – Symphony Asset Management



Michael Damaso

Best 2007 US CLO
Copper River CLO – Guggenheim Partners

Finalists: Apidos Cinco CDO – Apidos Capital, Gallatin CLO III 2007-1 – UrsaMine Credit Advisors, Madison Park Funding IV – Credit Suisse Asset Management



Gunther Stein

Best 2006 US CLO
Sponsored by Deutsche Bank
Symphony CLO II – Symphony Asset Management

Finalists: Apidos CDO III – Apidos Capital, Kennecott Funding – Guggenheim Partners, Madison Park Funding II – Credit Suisse Asset Management, Rampart CLO 2006-1 – Stone Tower Capital



David Killion

Best mid-market CLO
Denali Capital CLO VII – Denali Capital

Finalists: Churchill Financial Cayman – Churchill Financial, GoldenTree Capital Opportunities – Goldentree Asset Management, MC Funding – Monroe Capital



Pradeep Rao, Alan Kerr & Marcus Austin

Best recent European CLO
Sponsored by Virtus Partners/Citi
Global Senior Loan Index Fund – Harbourmaster Capital

Finalists: Cordatus Recovery Partners I – CVC Cordatus, ECF Financing CLO – Alcentra, Oak Hill European Credit Partners II – Oak Hill Advisors



Jonathan Bowers

Best 2007 European CLO
Sponsored by Deutsche Bank,
Cordatus Loan Fund II – CVC Cordatus

Finalists: Grosvenor Place CLO 2 – CQS, Harbourmaster Pro-Rata CLO 3 – Harbourmaster Capital, St. James's Park CDO – GSO/Blackstone



Andrew Marshak

Best 2005 US CLO
Madison Park Funding I – Credit Suisse Asset Management

Finalists: Apidos CDO I – Apidos Capital, Chatham Light II – Sankaty Advisors, LCM 4 – LCM, Symphony CLO I – Symphony Asset Management



Alex Leonard

Best 2006 European CLO
Sponsored by Nomura International

Harbourmaster Pro-Rata CLO 1 – Harbourmaster Capital

Finalists: Grosvenor Place CLO 1 – CQS, Highlander Euro CDO II – Highland Capital, Jubilee CDO VI – Alcentra



Seth Katzenstein

Best pre-2005 US CLO
GSC Partners Gemini Fund – GSC

Finalists: 1888 Fund – Guggenheim, Avery Point – Sankaty Advisors, CSAM Funding II – Credit Suisse Asset Management, Hudson Straits CLO 2004 – GSO/Blackstone



Alan Kerr

Best pre-2006 European CLO
Harbourmaster CLO 5 – Harbourmaster Capital

Finalists: Avoca CLO II – Avoca, Jubilee CDO II – Alcentra, Eurocredit CDO II – ICG