

Credit*flux*

CLO Yearbook 2017

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Published by Creditflux, part of the Mergermarket Group

London

10 Queen Street Place, London, EC4R 1BE

New York

330 Hudson Street, New York, NY 10013

creditflux.com

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ISBN?

About this yearbook

This yearbook provides an accessible but comprehensive picture of the collateralised loan obligation market at the start of 2017, including reviews of the previous year, insights into what changed over the last twelve months and a detailed listing of the important players in the CLO market.

We hope it provides a useful starting point for those new to CLOs and a handy reference work for those already familiar with the product.

The web version of this yearbook can be found at [xxx](#).

We welcome comments and suggestions for ways this guide can be improved in future. Please send your comments to editorial@creditflux.com.

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Rebooting the CLO market

Switching off and on again proved a popular tactic for managers last year as refis and resets pushed issuance to \$132 billion.

Following the extreme volatility – and downright fear – that characterised the CLO market at the beginning of 2016, market participants may be surprised to learn that the year saw the second-highest CLO issuance total of the post-crisis era. Global issuance (including refinancings and resets) finished the year at an impressive \$132 billion, spread across 297 deals. This is 5.7% higher than 2015's total of \$125.3 billion, and 11.9% short of 2014's record tally of \$150.3 billion.

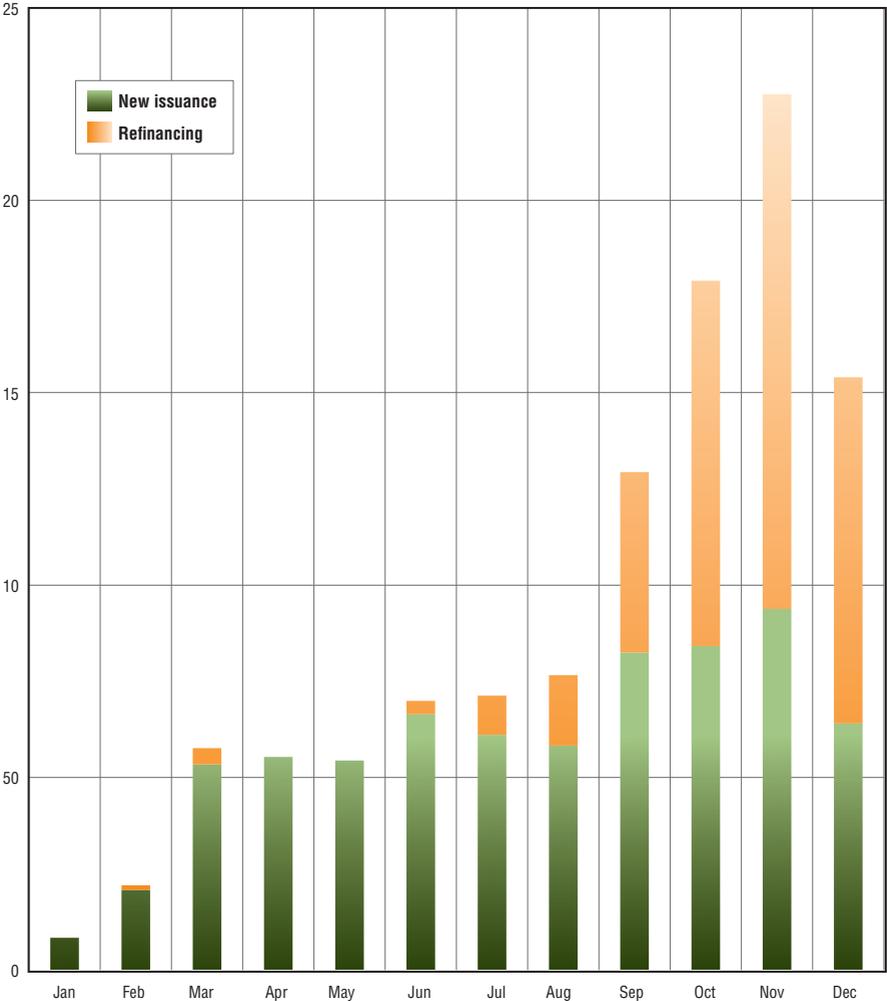
Of course, the raw issuance total does not tell the full story. The key theme in the US market – particularly in the second half of the year – was a surge in CLO refinancing in anticipation of the US risk retention deadline on 24 December.

Taking this into account, new US CLO creation stood at just \$70.2 billion, excluding refinancings and resets – down 29.1% from 2015's total of \$99.1 billion, and 43.3% down on 2014's \$123.8 billion figure.

CLO issuance was hampered severely during the early part of the year as devaluation of the Chinese yuan caused two stock market halts. The S&P 500 finished the opening week of 2016 down 6% – its worst start in history. Meanwhile, commodities markets continued to struggle, leading to a number of defaults. As a result, CLO spreads widened dramatically, with

In the fourth quarter refinancings and resets made up 56.1% of primary volumes

US CLO issuance volumes 2016 (\$bn)



some triple-A tranches pricing wide of 200 basis points over Libor.

At the turn of the second quarter, however, the leveraged loan market (and, consequently, the CLO market) began a prolonged rally, allowing the new issue engine to start up again. Spreads tightened meaningfully, allowing a number of first-time issuers to tap the market. TIAA became the first debutant CLO manager of the year on 3 June. It was followed shortly by Guardian Life and Churchill Asset Management.

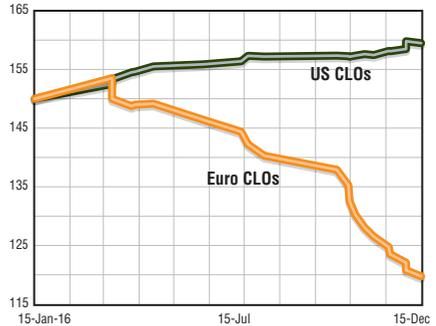
However, by the end of the summer, “pure” new issuance began to give way to a flurry of refinancings and resets. With many managers expected to be in an uncertain position post-2016, refinancing and extending existing deals was a way to buy time to find a more comprehensive risk retention solution.

According to Creditflux data, refinancings and resets made up just 3.6% of CLO issuance in the first half of the year. However, in the third quarter, these deals accounted for 26.7% of new issuance, and in the fourth quarter refinancings and resets made up 56.1% of primary volumes.

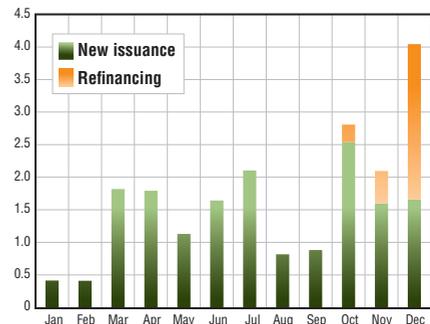
Given the contribution of refinancings and resets to 2016’s CLO issuance total, we have compiled separate rankings of managers and arrangers based on their activity in this area (see the tables on page 17). According to Creditflux data, Citi, a regular fixture at the top of our arranger tables, was the leading arranger of CLO refinancings and resets last year, accounting for \$8.5 billion globally. This figure represents 19.5% of the global refinancing total in 2016 – only slightly below Citi’s 19.7% overall market share.

Meanwhile, our data shows that a total of 55 CLO managers globally refinanced or

CLO average triple-A spread 2016 (bp)



Euro CLO issuance 2016 (€bn)



Arrangers and brokers

Amherst Pierpont Securities
www.apsec.com/

Bank of America Merrill Lynch
www.bofaml.com

Barclays
www.barclays.com

BNP Paribas
www.bnpparibas.com

Cantor Fitzgerald
www.cantor.com

Citi
www.citigroup.com

Credit Suisse
www.credit-suisse.com

Deutsche Bank
www.db.com

ED&F Man
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guggenheimpartners.com

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www.jefferies.com

JP Morgan

www.jpmorgan.com

KGS-Alpha

www.kgsalpha.com

Mitsubishi UFJ

www.us.sc.mufig.jp

Mizuho Securities Securities

www.mizuhosecurities.com

Morgan Stanley

www.morganstanley.com

Nat West Markets

www.rbs.com/our-brands/

Natixis

www.natixis.com

Nomura

www.nomura.com

Raymond James

www.raymondjames.com

RBC Capital Markets

www.rbccm.com

Societe Generale

www.sgcib.com

Sterne Agee

www.sterneagee.com

Stifel

www.stifel.com

StormHarbour

www.stormharbour.com

UBS

www.ubs.com

Wells Fargo

www.wellsfargo.com

Capital One

banking.capitalone.com

Intesa Sanpaolo

www.intesasanpaolo.com

Macquarie Capital

www.macquarie.com

PNC Bank

www.pnc.com

Santander Global Banking & Markets

www.santander.co.uk

Webster Bank

public.websteronline.com/business

Imperial Capital

www.imperialcapital.com

MetLife

www.metlife.co.uk

CIC

www.cic.fr

HSH Nordbank

www.hsh-nordbank.com

IKB Deutsche Industriebank

www.ikb.de

Mediterranean Bank

www.medbank.com

Directory

Nationwide Building Society
www.nationwide.co.uk

Apollo Securities

Trustees and collateral administrators

BNY Mellon
www.bnymellon.com

State Street
statestreet.com

BNP Paribas
www.bnpparibas.co.uk/en/corporate-institutional/securities-services/

US Bank Global Corporate Trust
usbank.com/corporatetrust

Citibank
sf.citidirect.com

Wells Fargo Corporate Trust
www.wellsfargo.com/corporate-trust/

Deutsche Bank
www.gtb.db.com/

Sumitomo Mitsui Trust Bank
<http://www.smtb.jp>

Law Debenture
www.lawdebenture.com

Law firms

Allen & Overy
www.allenoverly.com

DLA Piper
www.dlapiper.com

Ashurst
www.ashurst.com

Dechert
www.dechert.com

Cadwalader
www.cadwalader.com

Freshfields Bruckhaus Deringer
www.freshfields.com

Cleary, Gottlieb
www.clearygottlieb.com/en/

Jenner & Block
jenner.com

Clifford Chance
www.cliffordchance.com

Keating
www.keatingchambers.com

Latham & Watkins

www.lw.com

Mayer Brown

www.mayerbrown.com

Milbank

www.milbank.com

Morgan Lewis

www.morganlewis.com

Paul Hastings

www.paulhastings.com

Paul Weiss

www.paulweiss.com

Perkins Coie

www.perkinscoie.com

Ropes & Gray

www.ropesgray.com/

Schulte Roth & Zabel

www.srz.com

Seward & Kissell

www.sewkis.com

Sidley Austin

www.sidley.com

Simpson Thacher

www.stblaw.com

Skadden

www.skadden.com

Weil, Gotshal & Manges

www.weil.com

White & Case

www.whitecase.com Rating agencies

Winston & Strawn

www.winston.com/

Ratings

DBRS

www.dbrs.com

Fitch Ratings

www.fitchratings.com

Moody's Investors Service

www.moody.com

Scope Ratings

www.scoperatings.com

Standard & Poor's

www.standardandpoors.com

Data and analytics providers

Black Mountain Systems

www.blackmountainsystems.com

Clearstructure

www.clearstructure.com

Kaneraï

www.kaneraï.com

Intex

www.intex.com

IHS Markit

www.ihsmarkit.com

Mariana Systems

marianasystems.com/

Moody's Analytics

www.moodyanalytics.com

Quantifi

www.quantifisolutions.com

SCDM

scdm-website.appspot.com

S&P Capital IQ

www.spcapitaliq.com

Trepp

www.trepp.com

Sungard

www.sungard.com

GARP

http://www.garp.org

Other service providers

Aksia

www.aksia.com

AmTrust

www.amtrusteuropa.com

Appleby Global

www.applebyglobal.com

Covenant Review

www.covenantreview.com

Cortland

www.cortland.com

Deloitte

www.deloitte.com

Duff & Phelps

www.duffandphelps.com

Intertrust SPV

www.intertrustgroup.com

Thetica Systems

theticasystems.com

Vichara Technologies

www.vichara.com