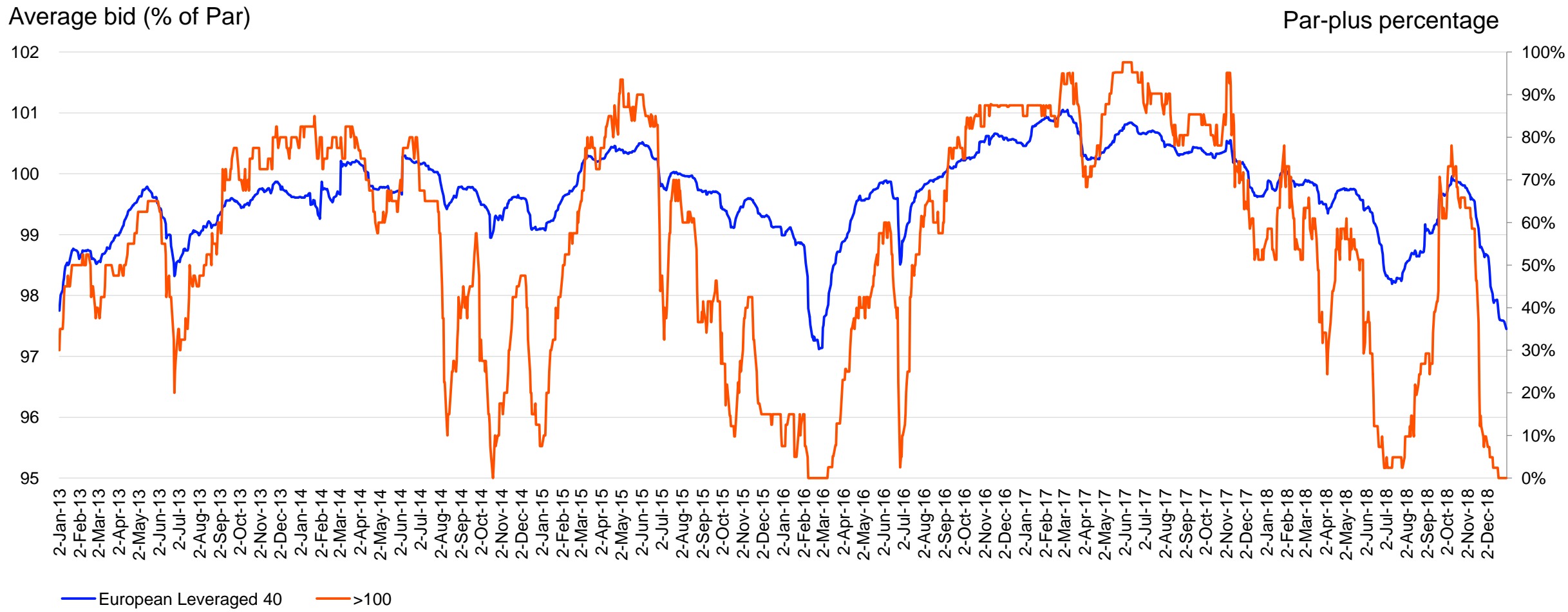


GLOBAL LOAN MARKET DATA AND ANALYTICS BY LPC

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Secondary Market Bid Levels: Europe

The European Leveraged 40 dropped 123bp in December and has declined by 232bp in the last two months of the year, sending the par-plus percentage to nil. Loan levels ended the year in the 97.45 context, 221bp lower YoY.

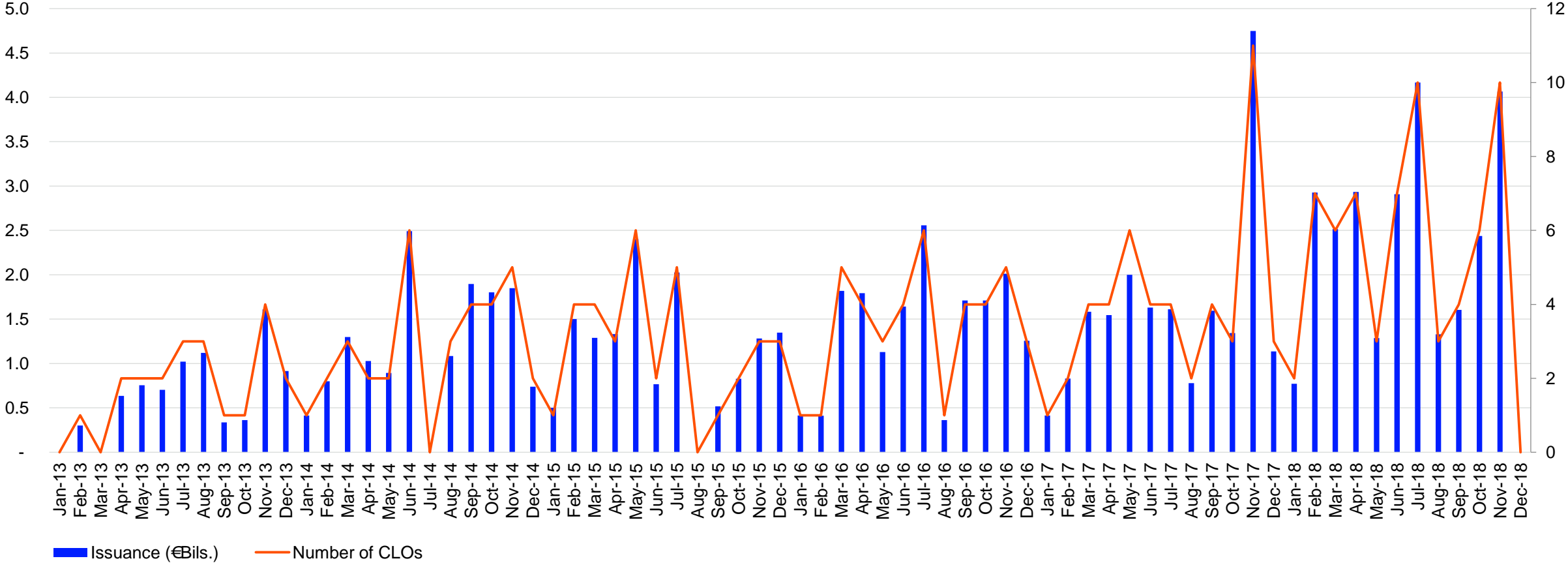


European CLO New Issue Volume - Monthly

Total 2018 European CLO volume was €26.9b, which is a post-crisis record, despite no new issues coming to market in December. 2018 volume is up 40% from 2017's issuance of €19.2bn. Market volatility and regulatory uncertainty in Europe led some deals to be postponed to 2019.

CLO New Issuance (€Bils)

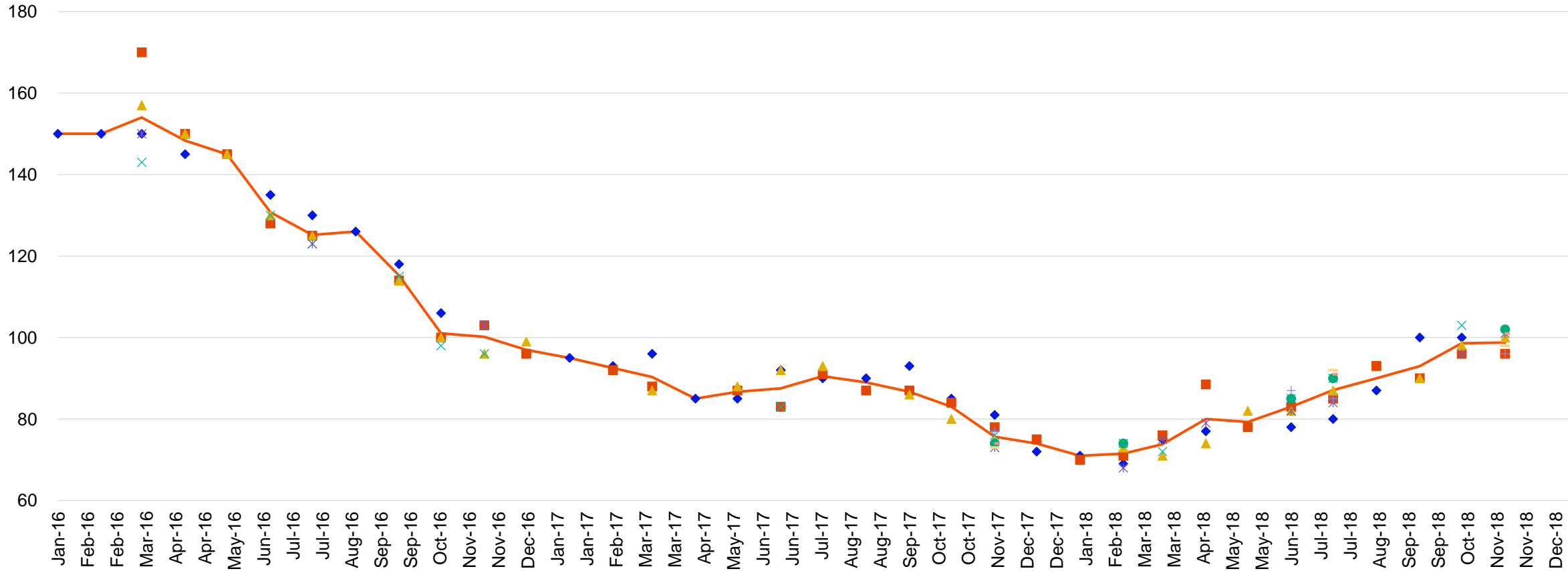
Number of CLOs



European CLO AAA Spreads*

There was no European CLO new issue in December. In 2018, the average European CLO AAA DM was 84bp, with margins steadily widening throughout the year from 71 in January to end 2018 up 28bp at 99.

AAA Discount Margin (bp)

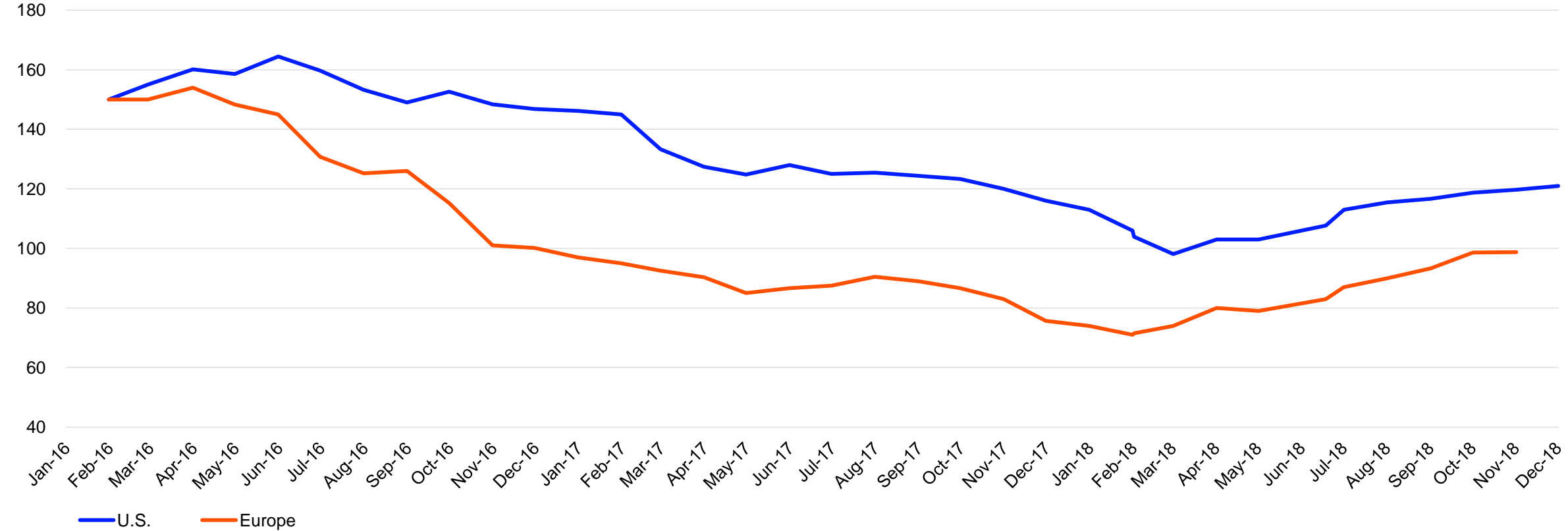


*based on deals where discount margin is available

U.S. vs European CLO AAA Spreads – BSL

Average DMs on U.S. CLO AAA liabilities ticked up slightly 1.3bp month on month to end the year at 121bp, a 15bp increase from January 2018. There was no new issue in Europe in December 2018.

AAA Discount Margin (bp)

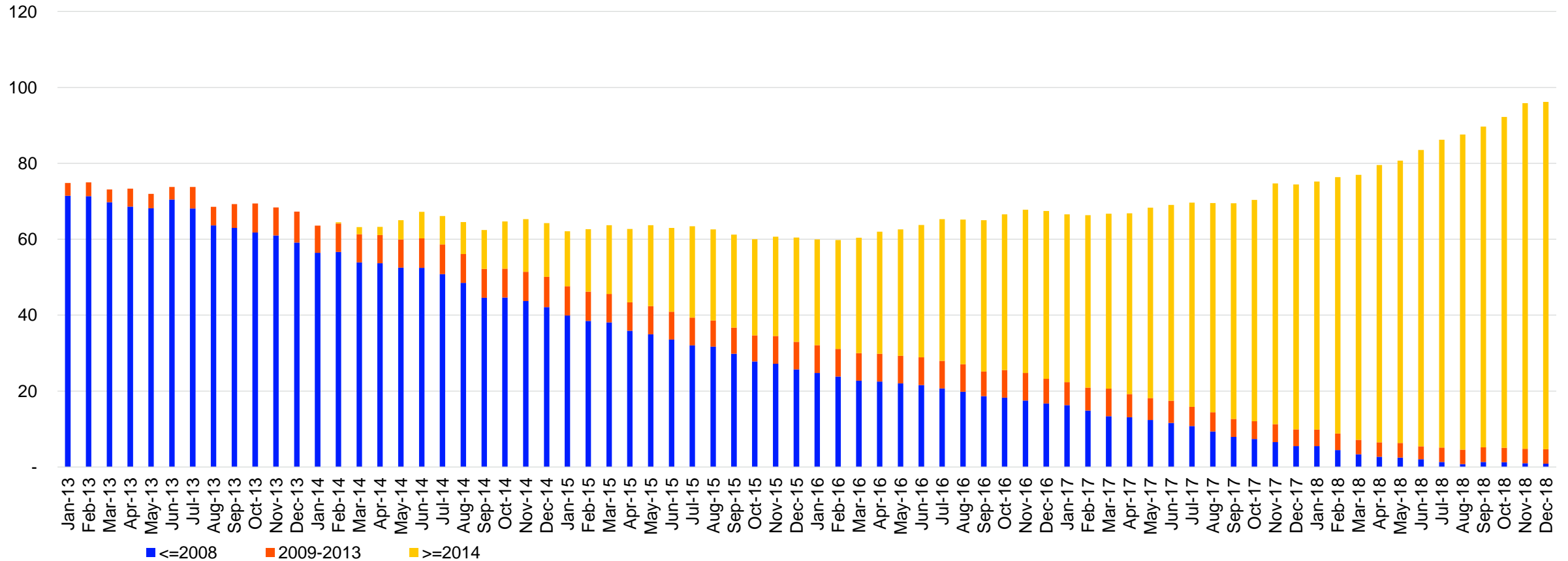


*based on deals where discount margin is available

European CLO Assets Under Management by Vintage

On the European side, CLOs issued on or after 2014 make up the overwhelming share of AUM with 91.5% share.

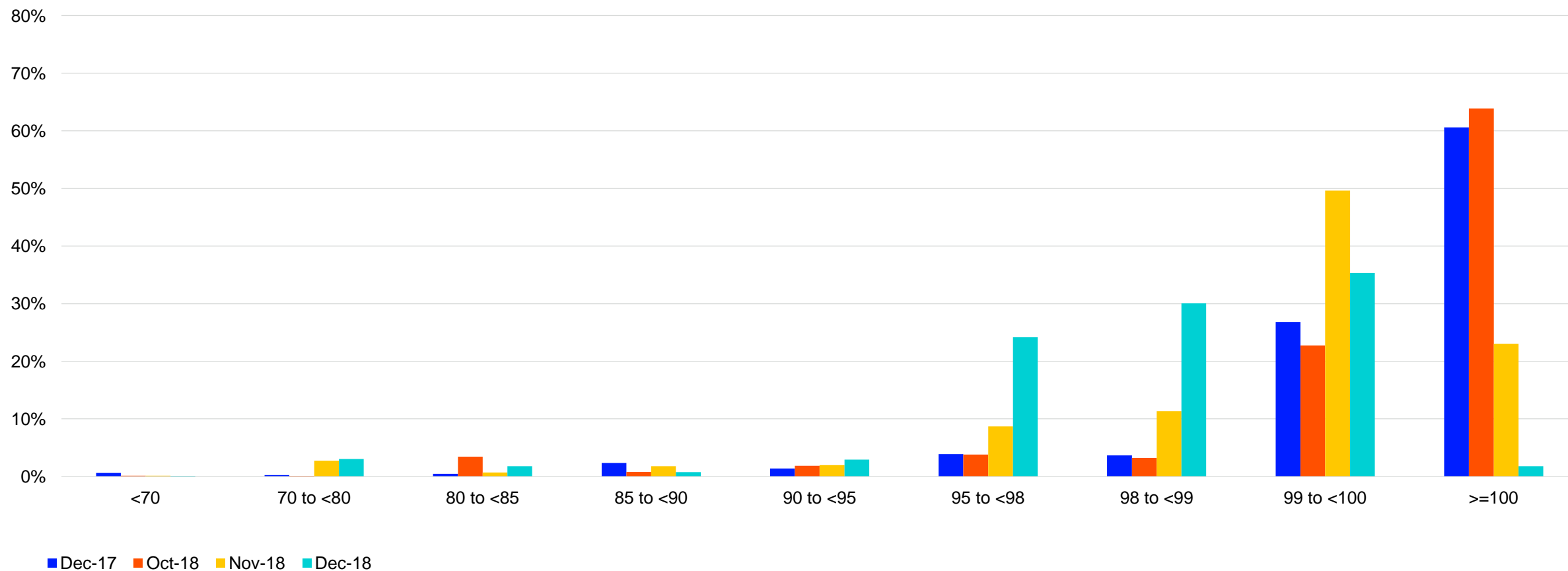
CLO APB (€Bils)



Distribution of Secondary Market Prices of Loan Assets in European CLOs

In the European CLO space, the share of par-plus loans in CLO portfolios dropped significantly from 23% to 2% in the last month, with 90% of all loans pricing between 95 and under par, and 54% pricing between 95 and under 99, up from 70% and 20% in the prior month. At year end 2017, 61% of CLO assets had priced at or above par.

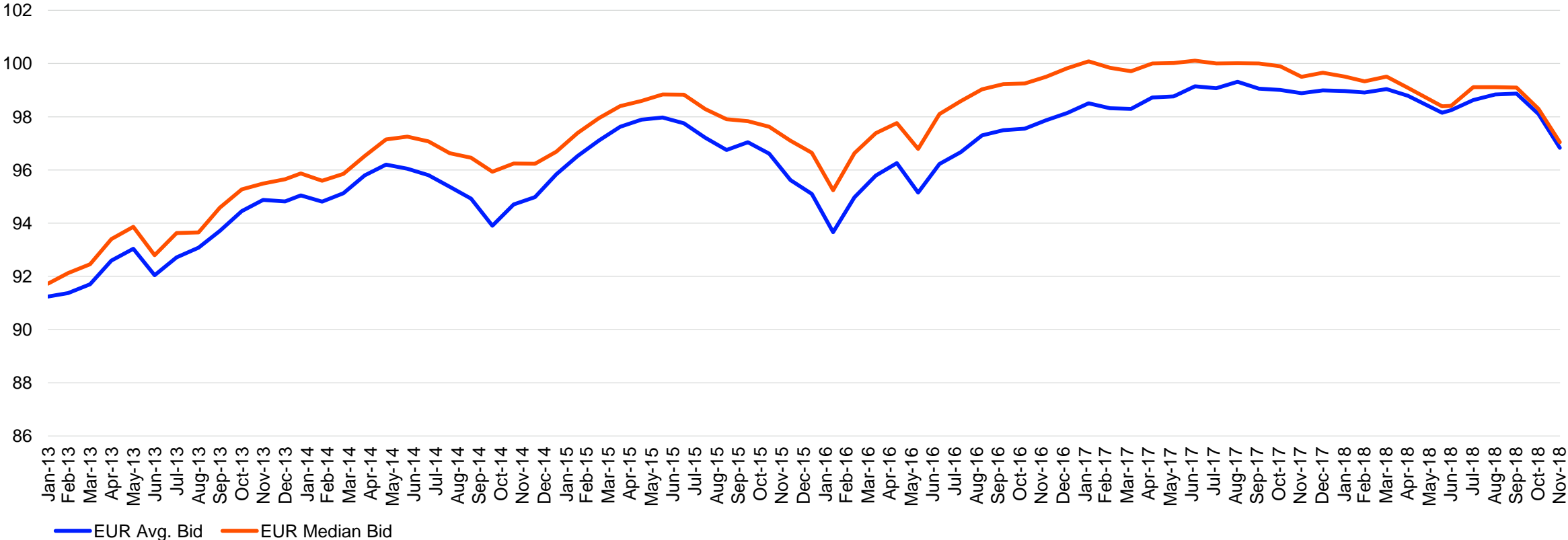
Share of Loan Holdings, Avg. bid (% of Par)



Average Bid of European CLO Portfolios (Underlying Assets)

The average bid of European CLO assets declined 127bp in December to 96.8, logging a sub-98 average bid for the first time since 2016. The median bid also declined 126bp to 97.

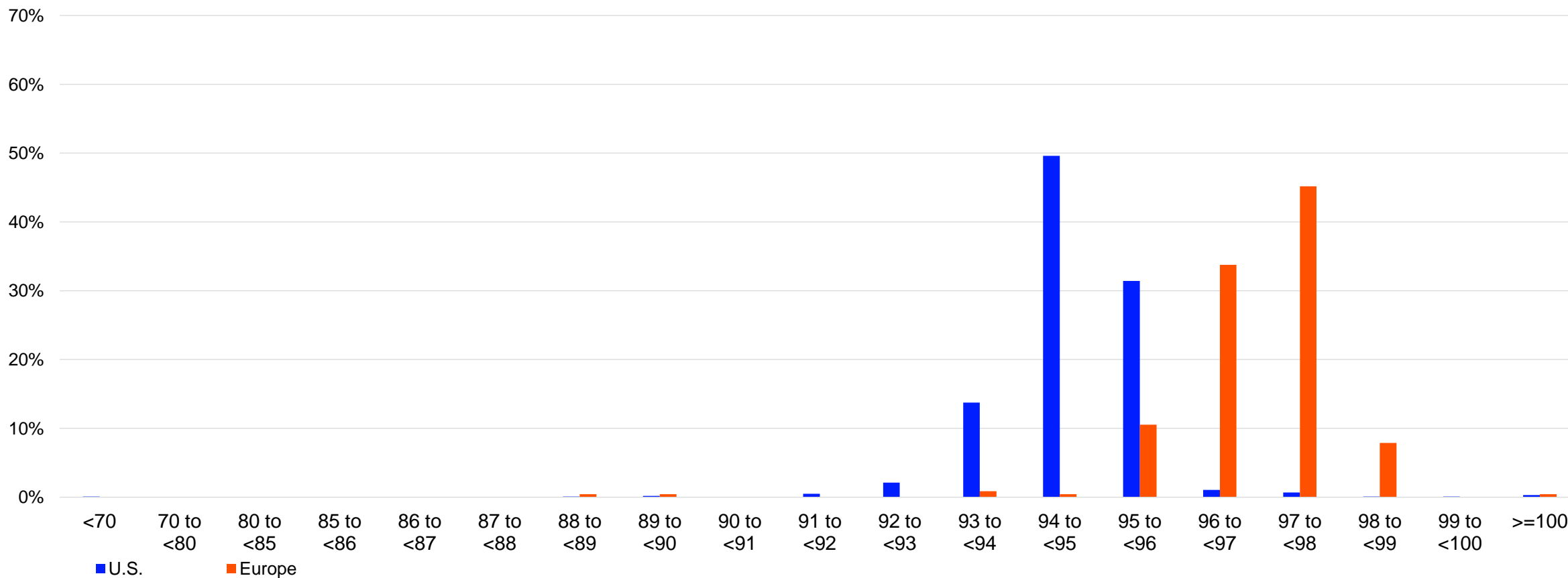
Bid (% of Par)



Weighted Average Bid of CLO Portfolios (Underlying Assets): U.S. vs Europe

In a distribution of CLO portfolio prices, less than 3% of U.S. CLOs have a WAB at or above par, with 94.8% showing a WAB between 93 and 96. Compare this with 3.2% of CLOs showing a WAB between 93 and 96 just one month ago. In European CLO portfolios, only 0.4% of CLOs had a WAB between 99 and par, compared to 56% 2 months ago.

Share of CLOs



*Excludes CLOs less than \$50 million in size.

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