

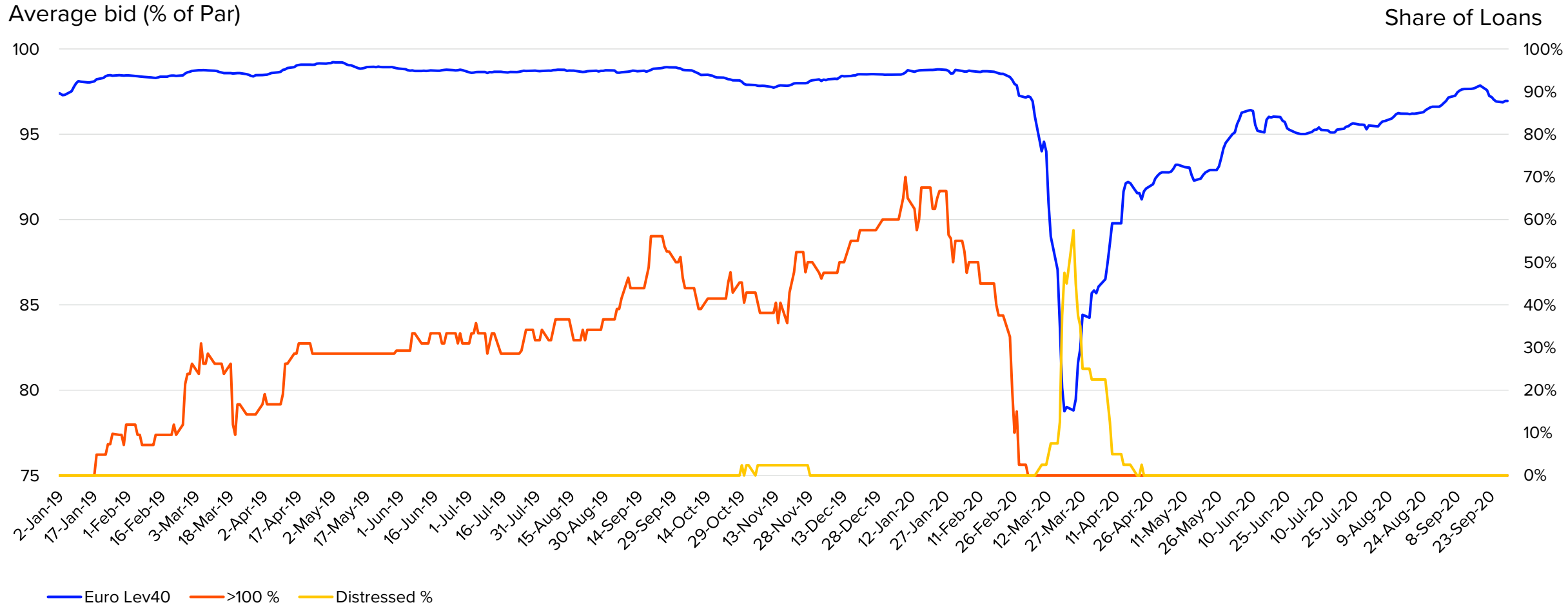
GLOBAL LOAN MARKET DATA AND ANALYTICS BY REFINITIV LPC

October 2020

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Secondary Market Bid Levels: Europe

Average marks for European leveraged loans advanced 34bp in September, to the 96.95 context. Secondary levels have rebounded for five straight months since the low-point at the end of March. The par-plus and distressed shares of the Euro Lev40 cohort both remain at 0% throughout the month.

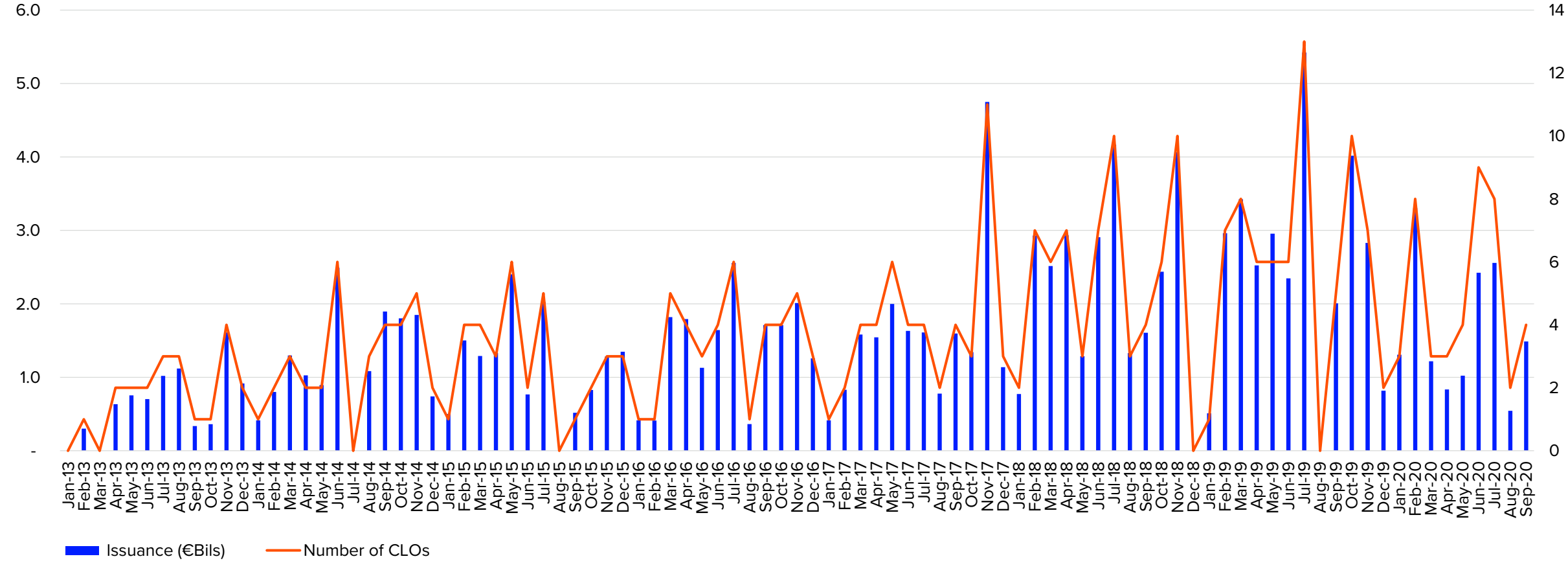


European CLO New Issue Volume – Monthly

After a summer lull, four CLOs priced in September for €1.5bn. Year-to-date volume stands at €14.7bn, or 34% lower compared to the same time last year. Third quarter activity amounted to €4.6bn, which was flat over the prior quarter but down 39% when compared to 3Q19.

CLO New Issuance (€Bils)

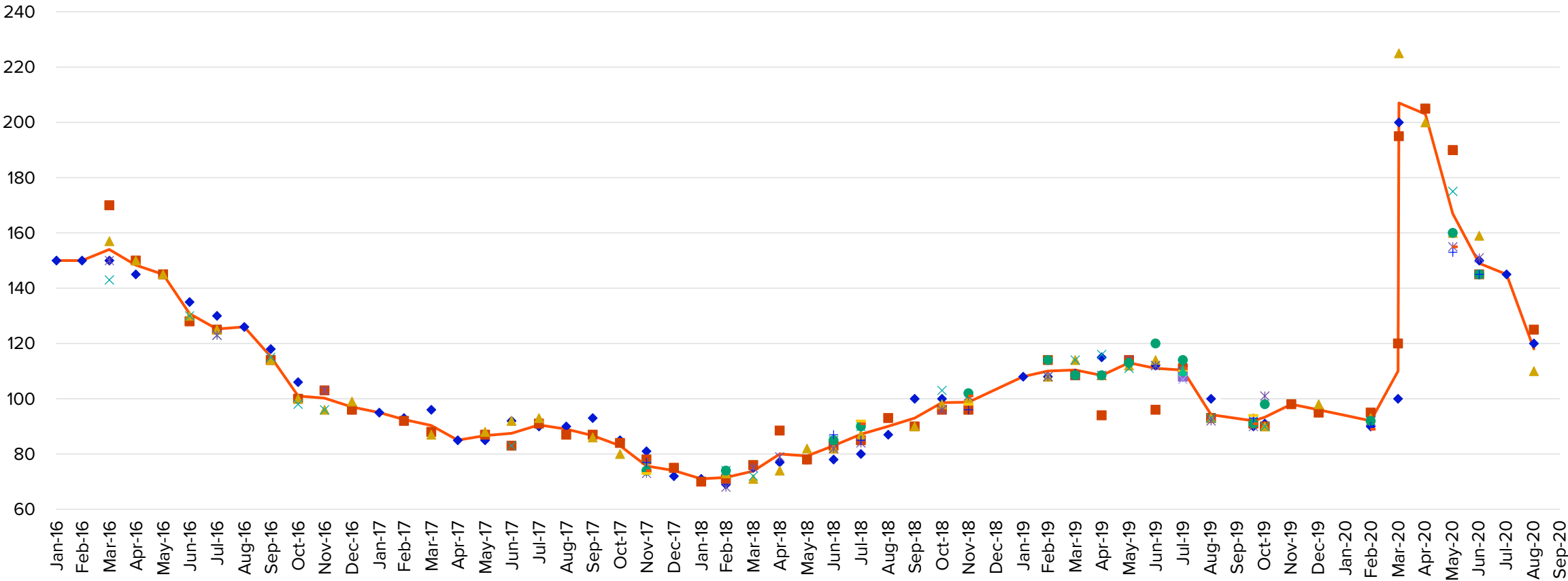
Number of CLOs



European CLO AAA Spreads*

AAA spreads continued to tighten into September, led by CVC Credit Partners's Cordatus Loan Fund 18 that priced at 110bp.

AAA Discount Margin (bp)



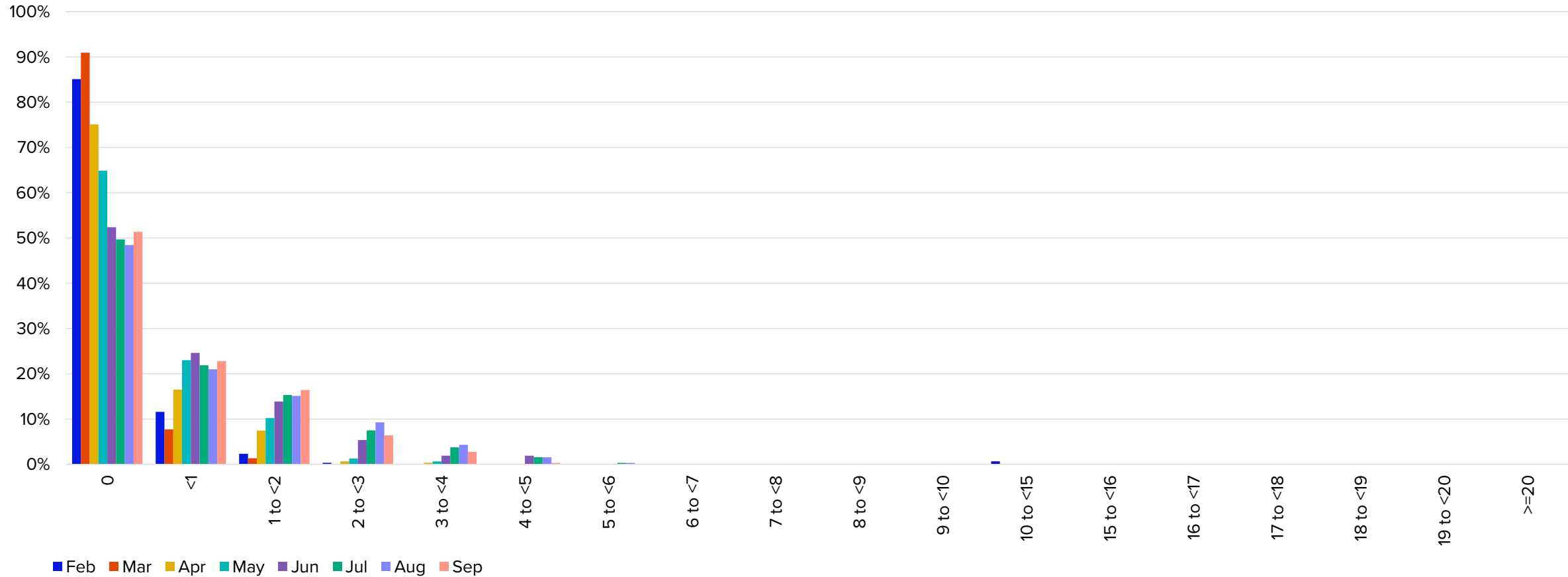
*based on deals where discount margin is available



Defaulted Assets – European CLOs (post-crisis)

In European CLO portfolios, the share of deals reporting no defaults ticked 2% higher to 51%. The share with 2% or more of principal balance in default has also decreased to include 9% of CLOs, compared to 15% reported a month ago.

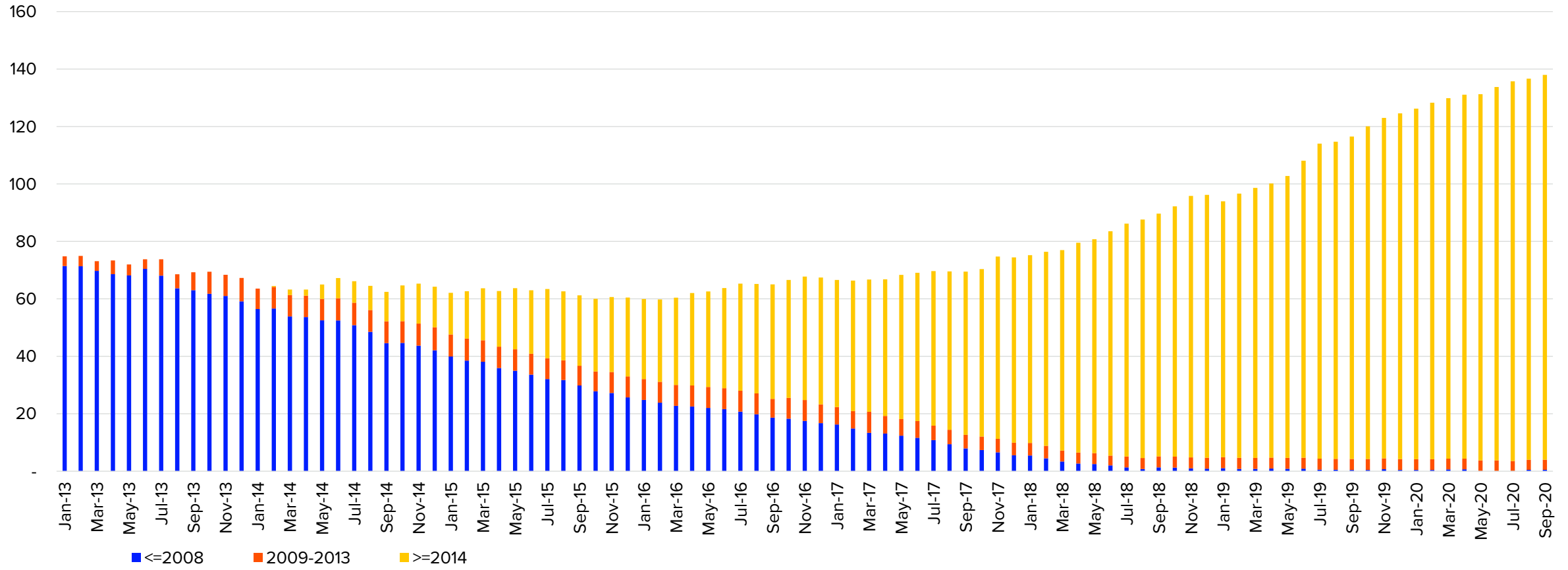
Share of CLO universe / Percent of assets in default



European CLO Assets Under Management by Vintage

On the European side, post-crisis CLOs hold the lion's share of assets.

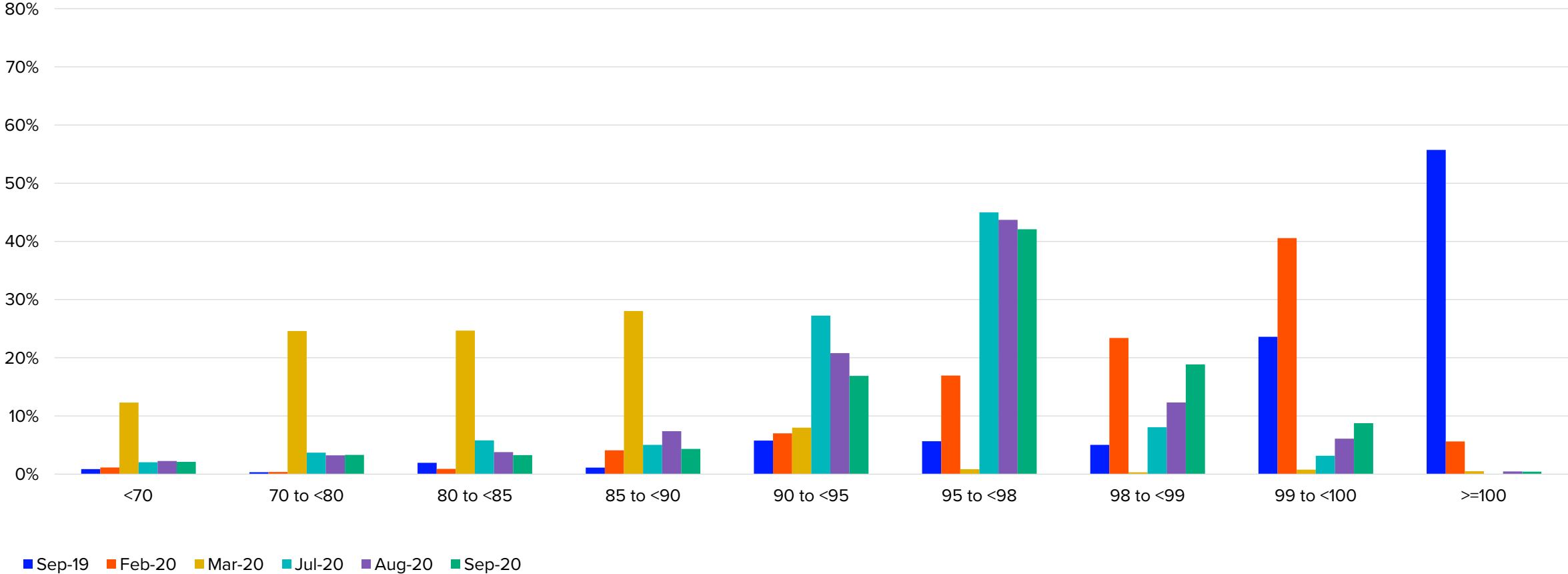
CLO APB (€Bils)



Distribution of Secondary Market Prices of Loan Assets in European CLOs

In European CLOs, the share of assets marked below 80 remained unchanged at 5%. Nine percent of assets were marked 99 or higher at the end of September, a 2% increase MoM. The share marked between 98 and <99 was 19%, it was 12% a month earlier.

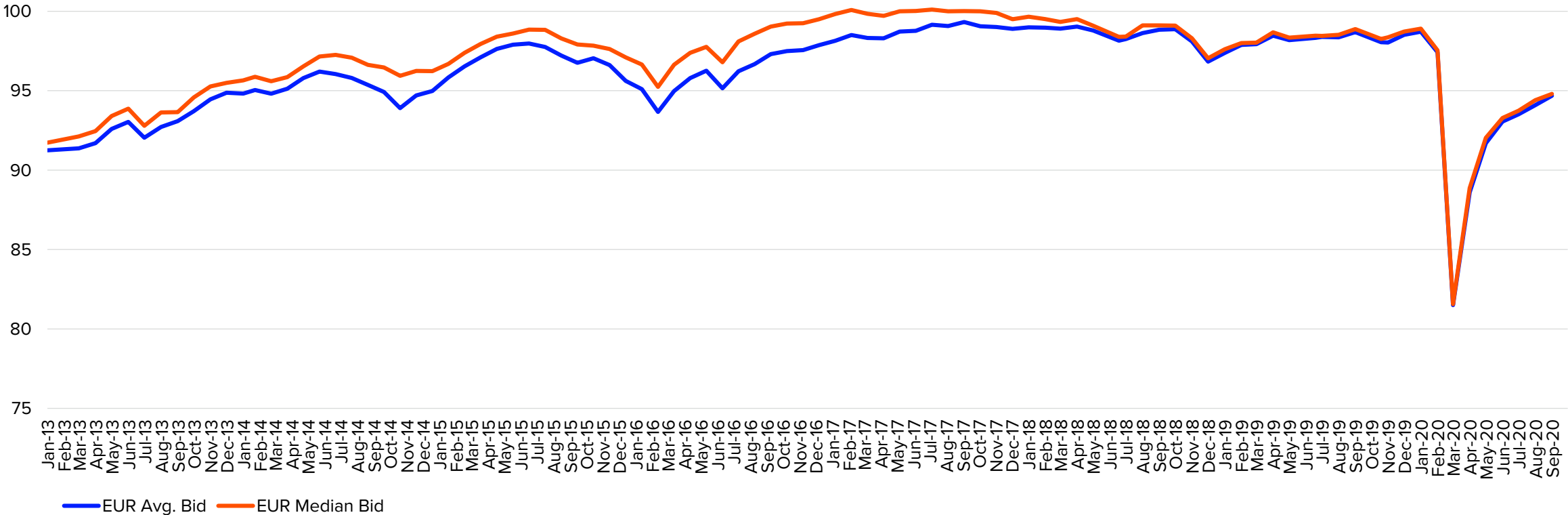
Share of Loan Holdings / Avg. bid (% of Par)



Average Bid of European CLO Portfolios* (Underlying Assets)

The average bid on European CLOs rose another 59bp in September to the 94.7 range. The median bid also ticked up to 94.8.

Avg. bid (% of Par)

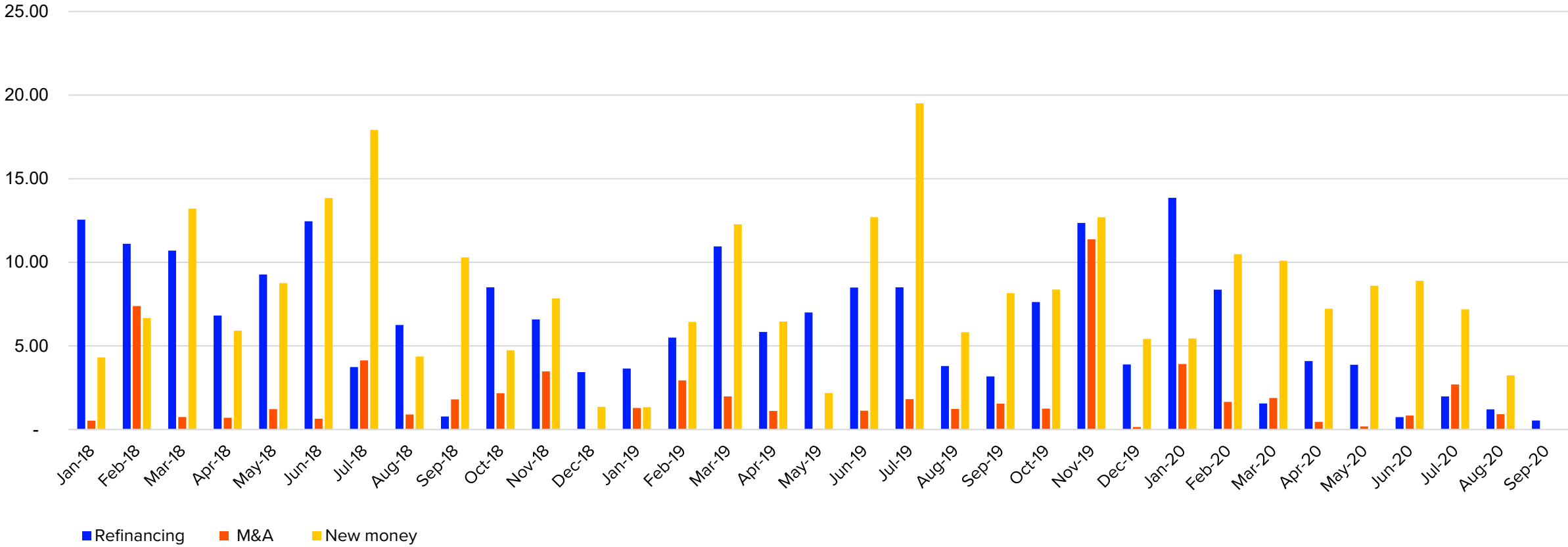


*excludes CLOs less than \$50 million in size.

EMEA Leveraged Volume by Segment – Monthly

Leveraged new money issuance (exclusive of M&A) was \$6.73m for September 2020, and remains substantially lower from the volumes recorded last year. Refinancing activity stands at \$36bn YTD, down 36% compared to last year, with the bulk of volume pricing in the first quarter, before spreads widened on the heels of the Covid pandemic.

Leveraged Loan Issuance (\$Bils)



* The breakdown includes Refinancing, M&A and New money exclusive of M&A

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