



IHS Markit™

Q4 2019 Leveraged Loan Market Data Snapshot

IHS Markit

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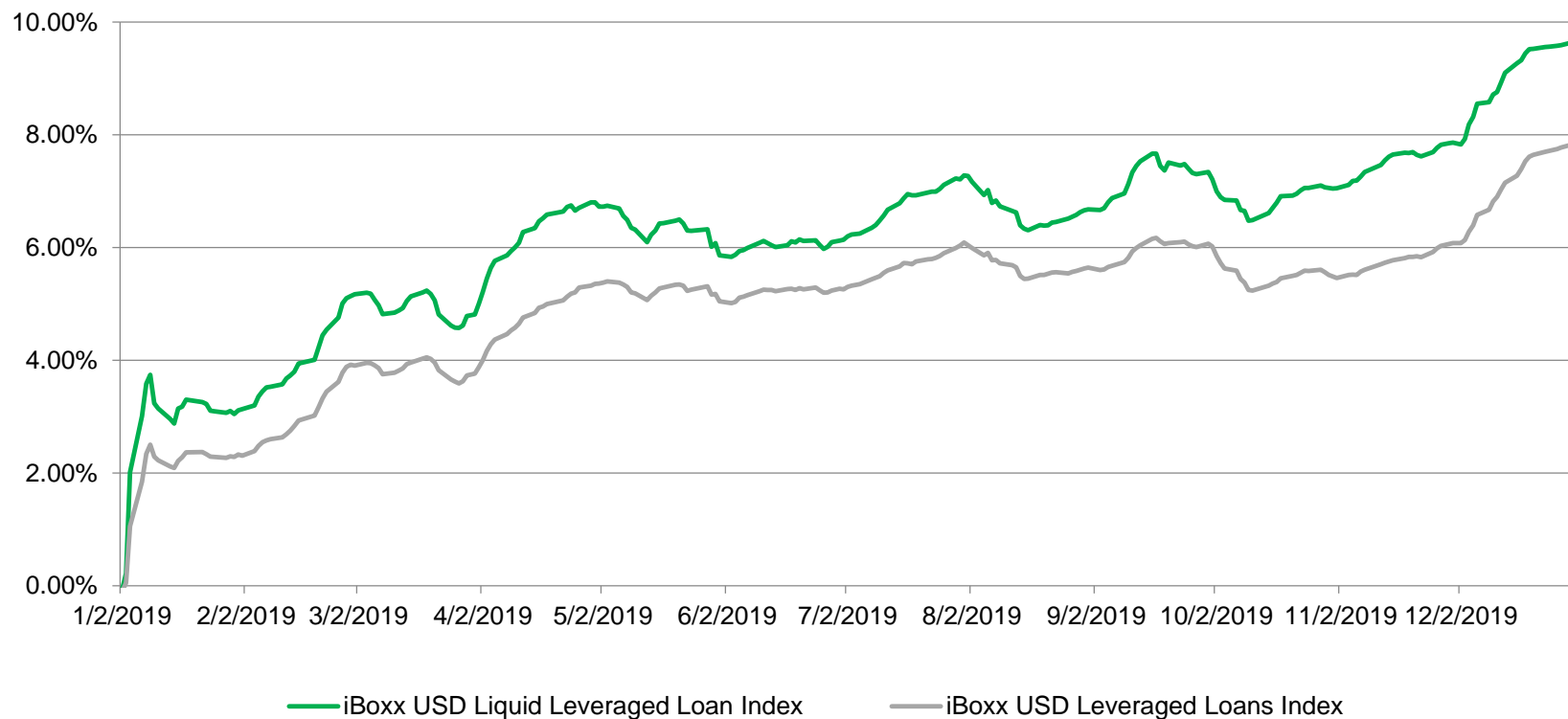
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Loan index trend Q4 2019

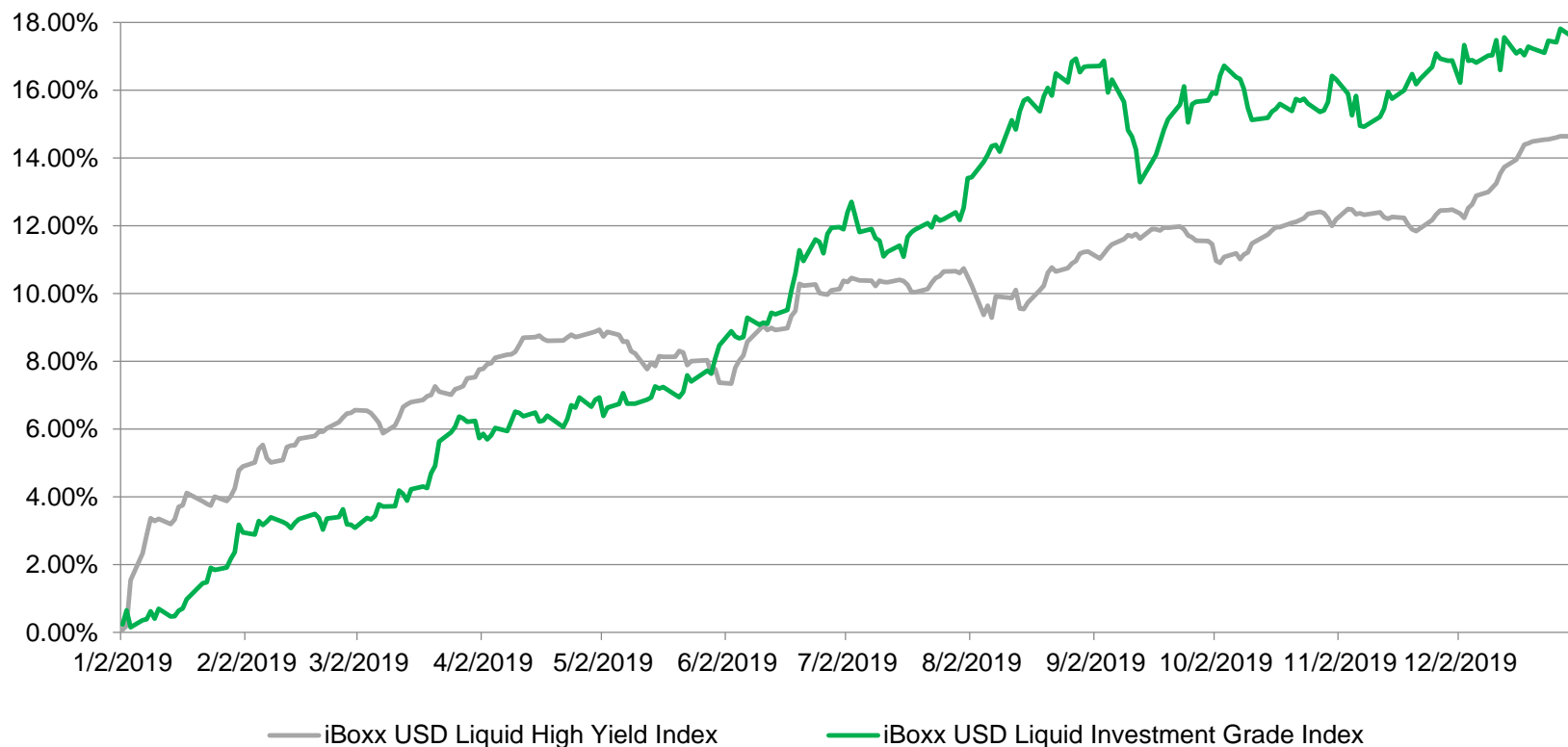
Leveraged Loan Total Returns



Loan Indices	Q4Δ%	YTD return
IHS Markit iBoxx USD Leveraged Loan Index	1.70%	7.87%
IHS Markit iBoxx USD Liquid Leveraged Loan Index	2.17%	9.67%

Bond index trend Q4 2019

High Yield & Investment Grade Total Returns



Loan Indices	Q4Δ%	YTD return
IHS Markit iBoxx USD Liquid High Yield Index	2.77%	14.65%
IHS Markit iBoxx USD Liquid Investment Grade Index	1.36%	17.27%

Pricing data trend Q4 2019

Pricing trend: average bids in the secondary market

Region	Average bid	Q4 $\Delta\%$	YTD $\Delta\%$
US	95.73	-0.13	-0.46
Europe	93.98	0.21	-0.75
Asia	88.60	-6.01	-6.25

Pricing trend: average spreads by credit rating (globally)

Average loan spreads to maturity (December 31)	1 year tenor	3 year tenor	5 year tenor	7 year Tenor
BB	L+153.8	L+179	L+197	L+215.6
B	L+404.4	L+429.5	L+447.6	L+466.2
CCC	L+916.4	L+941.6	L+959.7	L+978.2

Average loan spreads Q4 2019 Δ	1 year tenor	3 year tenor	5 year Tenor	7 year Tenor
BB	-18.10%	-17.51%	-17.26%	-16.40%
B	-10.45%	-10.67%	-10.82%	-10.66%
CCC	3.26%	2.73%	2.35%	2.15%

Top Advancers – Q4 2019

Top Five US Advancers:

Name	Facility	Industry	Previous Bid	Current Bid	Percent Change Bid
SECURUS TECHNOLOGIES HOLDINGS, INC.	Securus Technologies 6/17 Cov-Lite 2nd Lien TL	Telecommunications	45.3	87.571	93.31
THE IMAGINE GROUP, LLC	Imagine Print 6/17 Cov-Lite TL	Oil & Gas	34.75	66.4	91.08
Murray Energy Corporation	Murray Energy 6/18 Superpriority TLB3	Metals & Mining	20.5	38	85.37
4L TECHNOLOGIES INC.	4L Technologies 5/14 Cov-Lite TL	Computers & Electronics	31	54	74.19
LIGADO NETWORKS LLC	LightSquared 12/15 2nd Lien Cov-Lite TL	Telecommunications	19.833	34.5	73.95

Top Five EU Advancers:

Name	Facility	Industry	Previous Bid	Current Bid	Percent Change Bid
DONCASTERS US FINANCE LLC	Doncasters 4/13 (USD) 2nd Lien Cov-Lite TL	Aerospace/Defense	9	24	166.67
Phoenix BidCo 2 Gmbh	PlusServer 8/17 Cov-Lite TL	Computers & Electronics	42.667	50.188	17.63
EB Holdings, Inc	Ecobat 5/07 (EUR) PIK Cov-Lite TL	Metals & Mining	26.321	30.5	15.88
ERPE BIDCO LIMITED	Betafence/Praesidiad 10/17 Cov-Lite TLB	Professional & Business Services	63.083	72	14.14
TAURUS MIDCO LIMITED	Memora 9/17 TLB2	Personal Services	84.444	94.975	12.47

Top Decliners – Q4 2019

Top Five US Decliners:

Name	Facility	Industry	Previous Bid	Current Bid	Percent Change Bid
Ascena Retail Group, Inc.	Ascena Retail 7/15 Cov-Lite TLB	Retailing	67.278	54.872	-18.44
Academy, Ltd.	Academy Sports 7/15 Cov-Lite TLB	Retailing	81.788	69.5	-15.02
DONCASTERS US FINANCE LLC	Doncasters 4/13 (USD) Cov-Lite TL	Aerospace/Defense	79.714	67.85	-14.88
ONE CALL CORPORATION	One Call Medical 5/18 Cov-Lite Extended TLB	Professional & Business Services	92	79.25	-13.86
DEL MONTE FOODS, INC.	Del Monte Foods 2/14 Cov-Lite TL	Food And Beverage	88	77.813	-11.58

Top Five EU Decliners:

Name	Facility	Industry	Previous Bid	Current Bid	Percent Change Bid
Bright Bidco B.V.	Lumileds 2/18 Cov-Lite TLB	Automotive	58.357	45.357	-22.28
GTT Communications B.V.	GTT 4/18 (EUR) Cov-Lite TL	Computers & Electronics	94.264	84.611	-10.24
AI MISTRAL HOLDCO LIMITED	V.Ships (AI Mistral) 1/17 Cov-Lite TLB	Shipping & Ship Building	84.875	76.333	-10.06
AI Ladder (Luxembourg) Subco S.a.r.l.	Laird 5/18 Cov-Lite TL	Securities & Trusts	99.75	91.875	-7.89
Mallinckrodt International Finance S.A.	Mallinckrodt 2/17 Cov-Lite TLB	Healthcare	81.389	75.321	-7.46

Sector view – Q4 2019

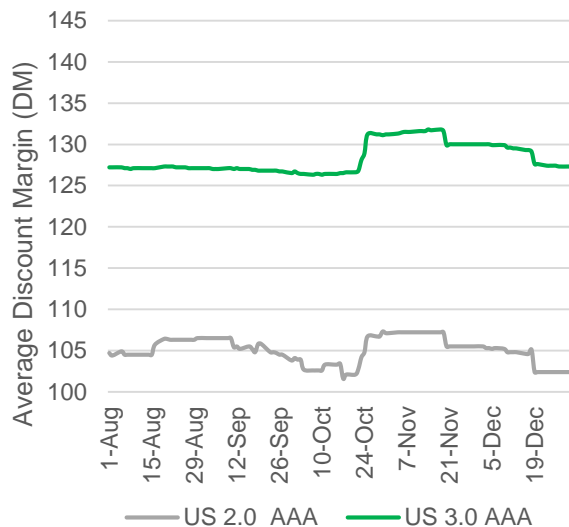
Q4 change in North American and European leveraged loan sector spreads (bps)

		BBB-	BB+	BB	BB-	B+	B	B-	CCC+
Basic Materials	NA	-26	-29	-37	-43	-55	-50	-44	-105
	EU	-39	-42	-52	-57	-70	-65	-65	-108
	Change NA-EU	+13.2	+13.1	+15.0	+13.2	+14.6	+14.7	+21.1	+3.0
Consumer Goods	NA	-33	-37	-45	-51	-63	-58	-51	-113
	EU	-48	-51	-61	-66	-79	-74	-74	-117
	Current NA-EU	+14.4	+14.3	+16.1	+14.4	+15.8	+15.9	+22.3	+4.2
Consumer Services	NA	-20	-23	-31	-38	-49	-44	-38	-99
	EU	-34	-38	-47	-52	-65	-60	-60	-104
	Current NA-EU	+14.7	+14.5	+16.4	+14.6	+16.0	+16.1	+22.5	+4.4
Energy	NA	-86	-90	-98	-104	-116	-111	-104	-166
	EU	-100	-104	-113	-118	-131	-126	-126	-170
	Current NA-EU	+14.1	+14.0	+15.8	+14.1	+15.5	+15.6	+22.0	+3.9
Financials	NA	-19	-23	-30	-37	-48	-44	-37	-99
	EU	-35	-38	-48	-52	-65	-61	-60	-104
	Current NA-EU	+15.4	+15.3	+17.2	+15.4	+16.8	+16.9	+23.3	+5.2
Healthcare	NA	-17	-21	-29	-35	-47	-42	-35	-97
	EU	-32	-35	-45	-49	-62	-58	-57	-101
	Current NA-EU	+14.2	+14.1	+15.9	+14.2	+15.6	+15.7	+22.1	+4.0
Industrials	NA	-22	-25	-33	-40	-51	-46	-40	-102
	EU	-37	-40	-50	-55	-67	-63	-62	-106
	Current NA-EU	+14.8	+14.6	+16.5	+14.8	+16.2	+16.2	+22.6	+4.5
Technology	NA	-31	-35	-43	-49	-61	-56	-49	-111
	EU	-46	-49	-59	-64	-76	-72	-72	-115
	Current NA-EU	+14.4	+14.3	+16.1	+14.4	+15.8	+15.9	+22.3	+4.2
Telecommunication Services	NA	-16	-20	-27	-34	-45	-41	-34	-96
	EU	-31	-35	-44	-49	-62	-57	-57	-101
	Current NA-EU	+15.2	+15.0	+16.9	+15.1	+16.5	+16.6	+23.0	+4.9
Utilities	NA	-96	-100	-108	-114	-126	-121	-114	-176
	EU	-111	-114	-124	-129	-142	-137	-137	-180
	Current NA-EU	+14.6	+14.5	+16.3	+14.6	+16.0	+16.1	+22.5	+4.4

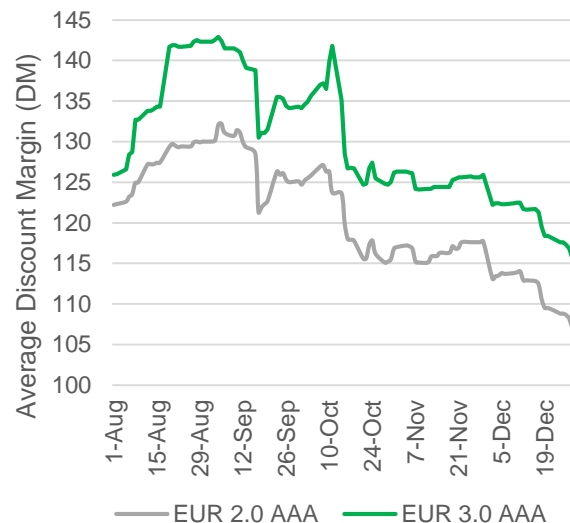
CLO trend Q4 2019

2019 ended on a strong note with a rally across the capital stack and average AAAs tightening slightly in the fourth quarter. 2.0 and 3.0 US (all deals issued from 2017 onwards) triple-A spreads have hovered around 100-110 and 125-135, respectively. An ongoing rally within the loan market has provided some upside for secondary CLOs, which saw single-B spreads tighten quite significantly to 925-1300 DM and BBs resuming their September levels.

Average 2.0 & 3.0 US AAA Spreads



Average 2.0 & 3.0 European AAA Spreads

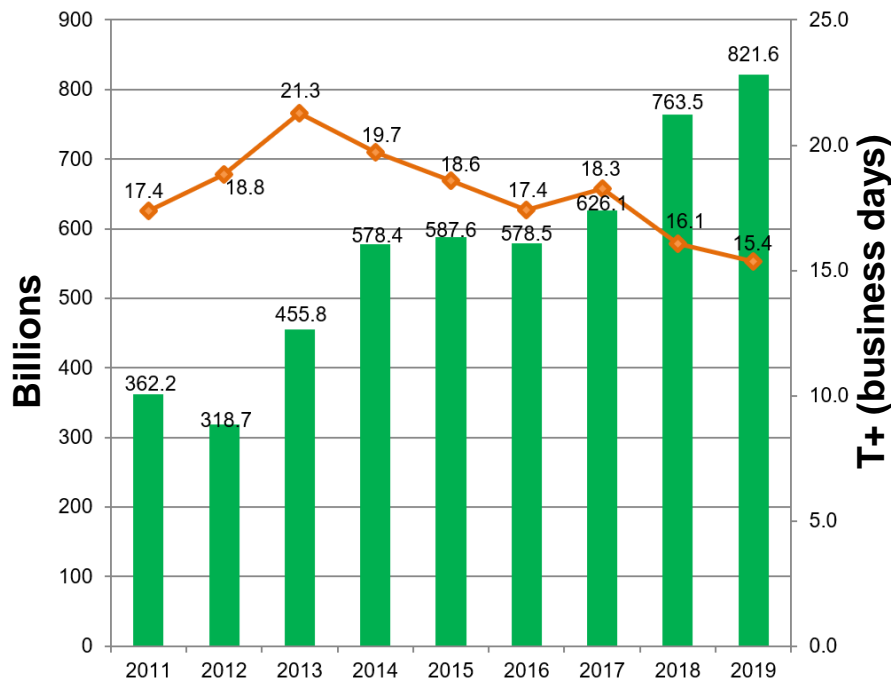


2019 also saw the emergence of several new managers in the CLO space, such as HalseyPoint, Elmwood Asset Management and Owl Rock Capital Advisors LLC to name a few. The emergence of more managers suggests greater divergence in performance given the bifurcation in credit selection and management of idiosyncratic risks. New issue volumes are projected to total between \$70-\$100bn in 2020 due to several factors, including the notable pullback of Japanese demand, inconsistent equity arbitrage and low overall loan issuance volumes.

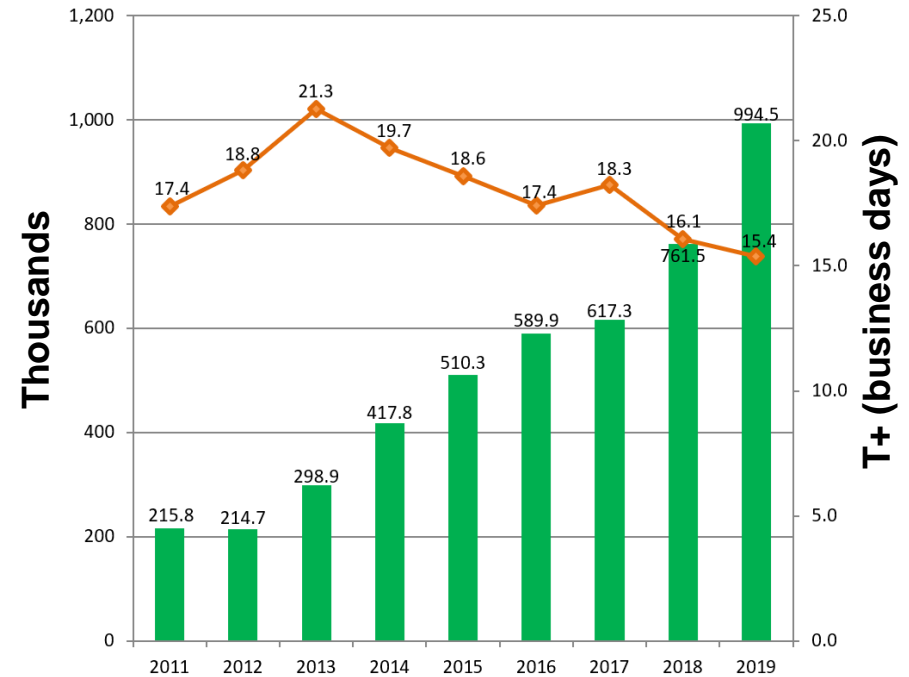
Trade settlement volume – 2019

(excluding “When Issued” Trades)

Average T+ Time and LSTA Secondary Par Settled Notional



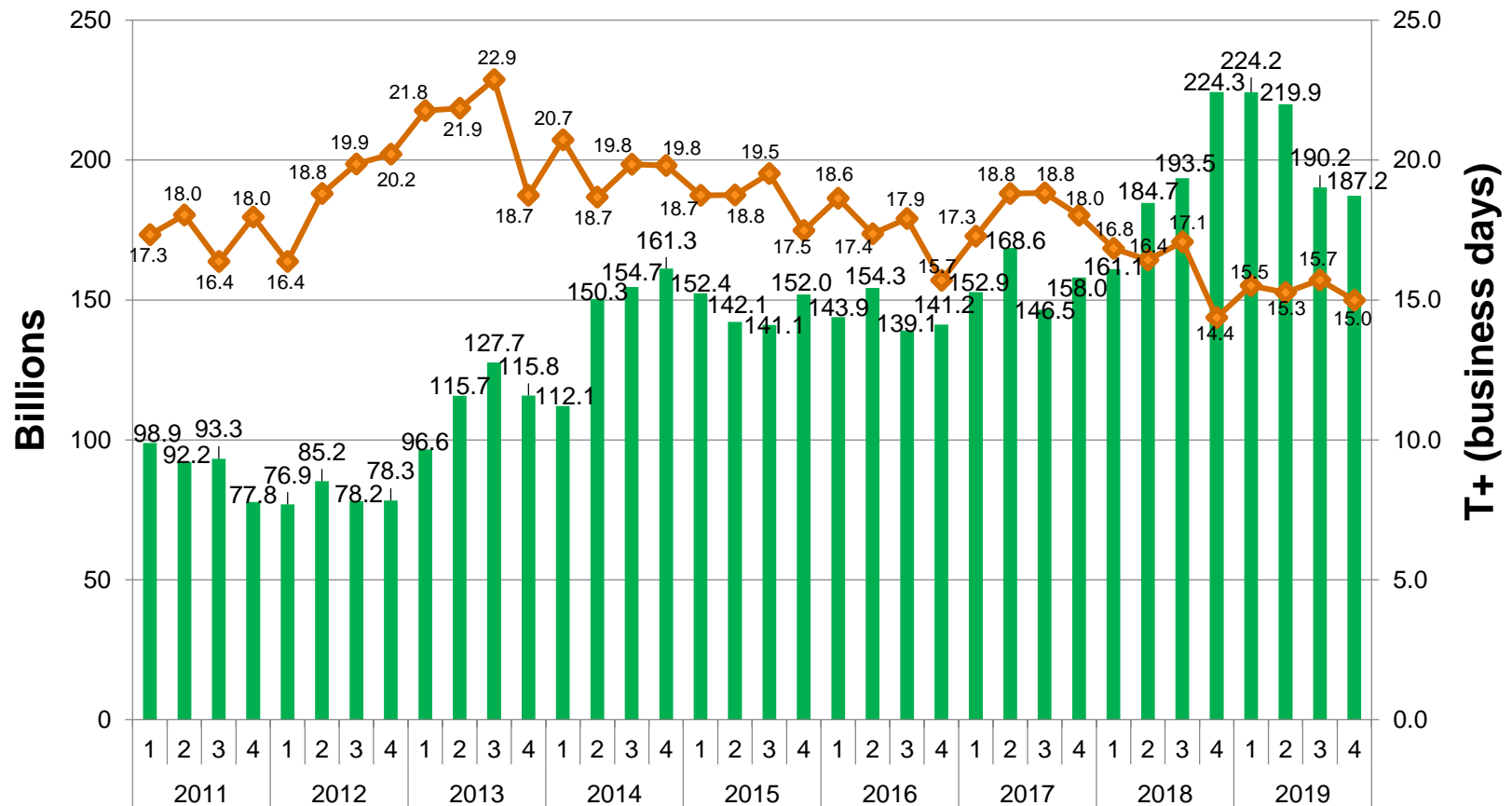
Average T+ time and LSTA Secondary Par Settled Allocations



Trade settlement efficiency 2019

(excluding “When Issued” Trades)

LSTA Secondary Par Settled Notional by Quarter



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