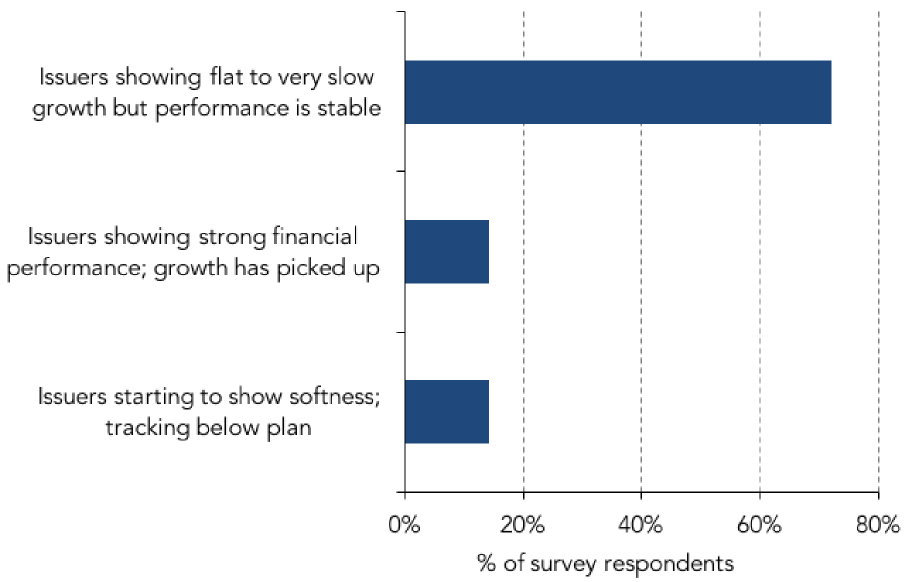
THE LEAD
https://theleadpc.com/leveraged-loan-insight-analysis-1092017/

Lender Survey: How are you feeling about portfolio performance?

LSEG | October 12, 2017



Issuers are showing flat to very slow growth but performance is stable, said 72% of the buyside and sellside respondents in TR LPC’s Quarter-End Survey. The remainder are split with 14% reporting that issuers are showing strong financial performance and growth has picked up while 14% said issuers are starting to show softness and tracking below plan. However, many are more concerned with specific sectors such as retail which are undergoing secular changes rather than any issues that are becoming universal. In addition, investors are concerned about bad structures, even for good companies. “We have been declining a lot of deals because of poor structure,” said a CLO manager. “It is painful when you’re trying to grow your business. We would rather pay up in the secondary for a well structured credit. If it is a sleep at night credit you’ll do it but if it’s a credit you’re ambivalent about, these days, we just can’t do it.” A second CLO manager echoed, “We have been severing our ties with companies we have had in the portfolio for years. We don’t want to put anything in the portfolio that we’ll regret putting in. Some deals have been pulled so thankfully we are seeing some pushback.”

Contact: Ioana Barza
ioana.barza@thomsonreuters.com