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Loan fund AUM continues to grow amid large inflows in January

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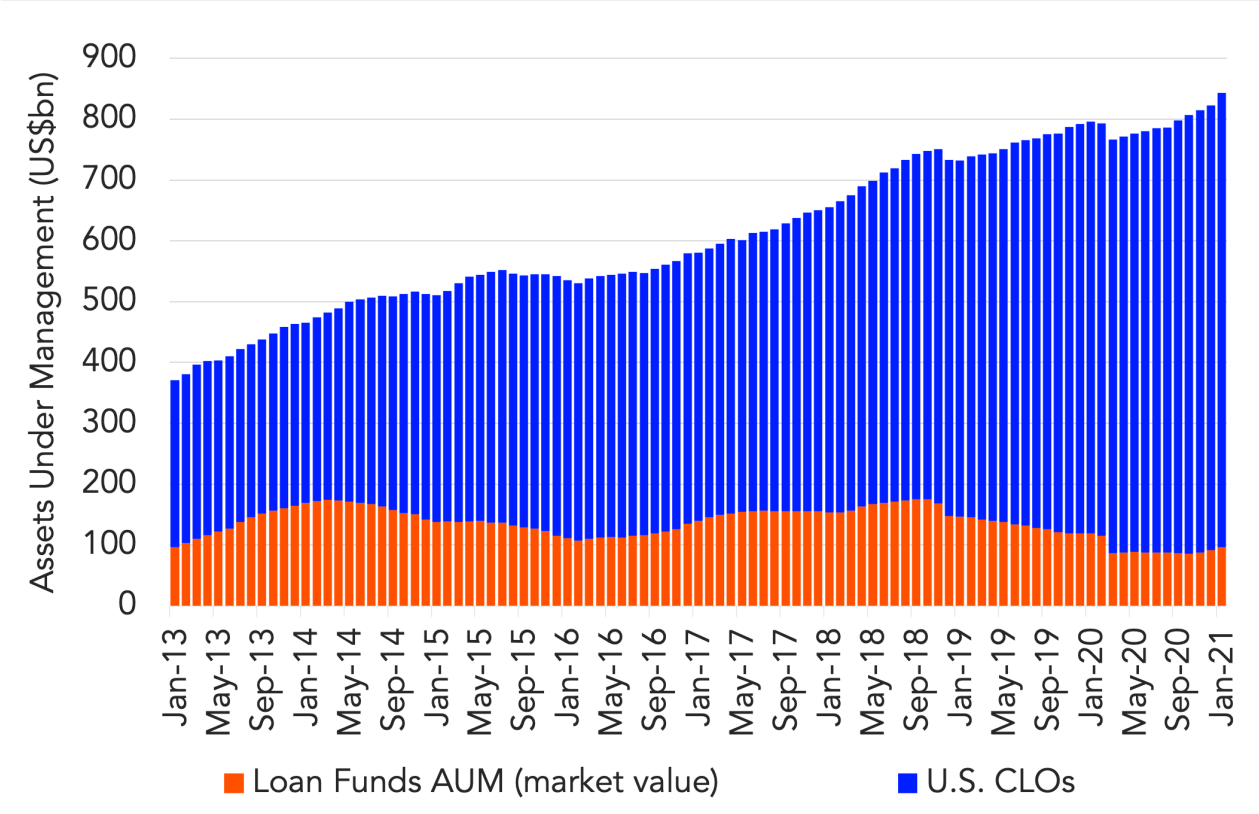

U.S. CLO AUM ended January at $747bn, up 10.3% YoY, with 17 new U.S. CLOs totaling $8.5bn pricing last month. It was the highest January volume since 2013 and included 4 deals with a total size over $600m. Despite the pandemic, CLO AUM has steadily risen throughout 2020 and into 2021, averaging $7.9bn of monthly new issue in the last 12 months.

Meanwhile, loan funds' AUM was $96.5bn in January, its highest level since February 2020 before the pandemic sent loan funds' AUM down 24% in a single month, from $114.8bn to $86.7bn, over Feb-March 2020. Still, AUM is well below peak levels, with January AUM down 19% YoY, and 45% lower than its September 2018's peak of $175.5bn.

Loan fund inflows were behind the rise in AUM, posting $3.216bn last month, the highest volume since March 2017 ($4.208bn), and up from $397m in December. It was also the first consecutive months of positive fund flows since August-September 2018. CLOs now comprise 62.8% of the institutional loan market, up from 60% in December, while loan funds have a 7.5% share, up from 7% in December.