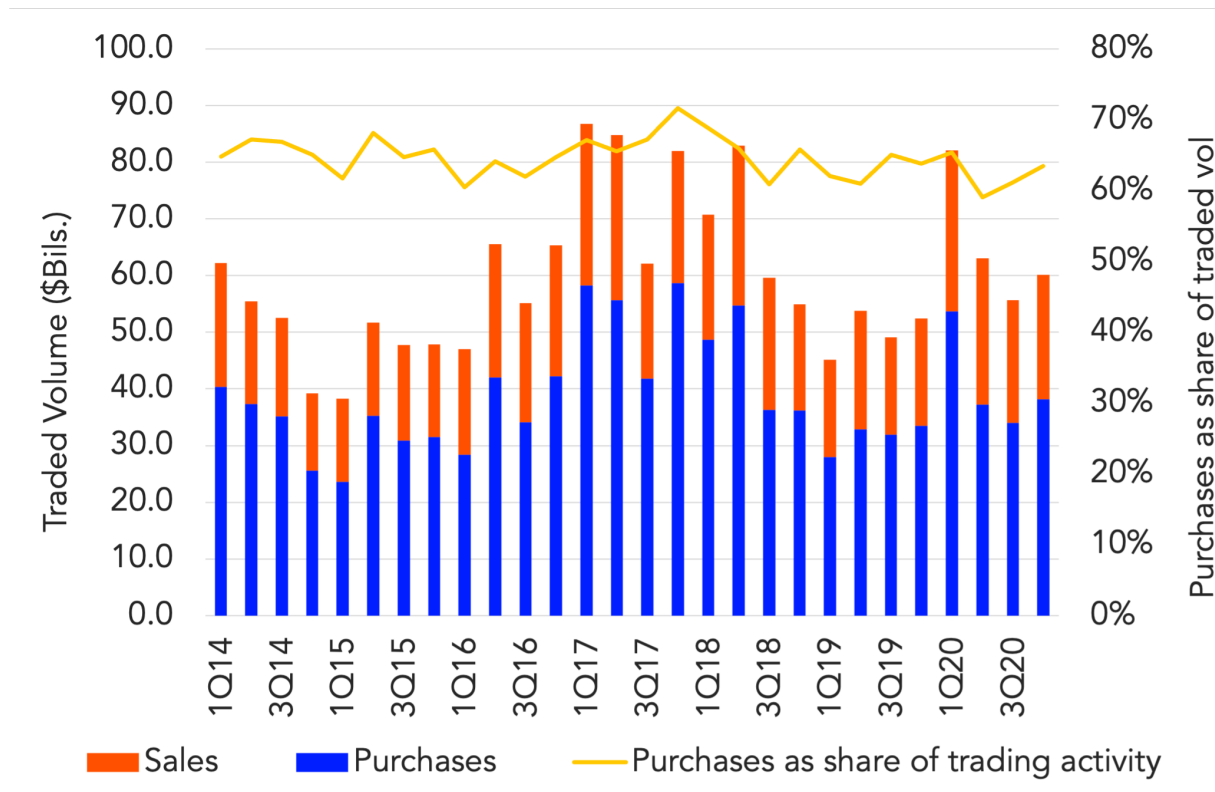


US CLO portfolio trading activity mirrors strong secondary

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Of the US\$261bn in trading activity by US CLO managers in 2020, asset selling peaked at 41% of activity in the second quarter, at the height of the pandemic.

Selling slowed to only 36% of US CLO managers' trading activity by year-end, with purchases climbing to 64%. US CLO portfolio trade prices declined in the wake of the economic fallout from COVID-19 sending the weighted average purchase price seven points lower to the 92 range last March, while pressures on portfolios sent the weighted average sale price to the 84.6 context in April. Secondary markets rebounded and the weighted average sale price climbed to 95.7 by year-end.

Similarly purchase prices ended 2020 having climbed to 98.6. In fact, while in 2Q, almost one quarter of purchases were between the 90 to <95 price range, over half of purchase activity was priced at 99 or higher by 4Q. For the year, selling prices were more dispersed than purchase prices, with nearly one fifth of loans trading at a price less than 80 last year. Conversely, nearly half of buys were priced at 99 at higher. Find full results on loanconnector.com.