

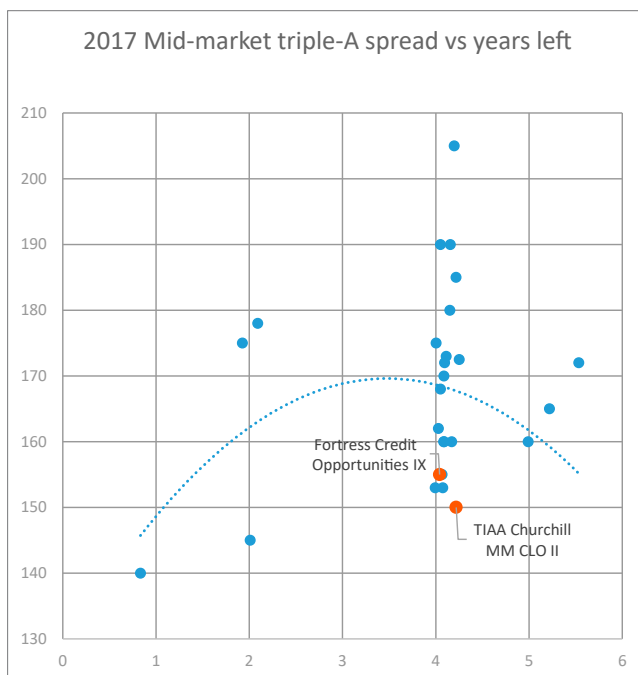
Mid-market CLO roundup: New deals add to bumper year

Mid-market volumes rise steadily, with two new players having entered the space in the last two weeks. 2017 so far has witnessed inflows of \$17.7 billion, with new issue mid-market deals contributing 77.38% to the volume.

Churchill Asset Management joins the expanding list of the managers in the CLO market this year by pricing its first new issue middle-market CLO TIAA Churchill Middle Market CLO II. Arranged by Wells Fargo, the deal receives a warm welcome as it achieves the second tightest triple A spread of 150 basis points and a low funding cost of 2.17%. Wells Fargo remains the dominant arranger in the market as it continues to bring more deals to the field and raise its volumes to \$7.56 billion – roughly 43% of the market.

Fortress makes a grand entrance by pricing the third largest US 2.0 CLO as its first middle-market CLO transaction of the year. Arranged by Natixis, the deal achieves an above average triple A spread of 155bp.

Antares prices its second middle-market CLO of the year, Antares CLO 2017-2, by partnering with Credit Suisse. Priced within a space of nearly 7 months, Antares CLO 2017-2 accomplishes a reduction in funding cost from Antares CLO 2017-1 by 36bp, underscoring the tightening environment. Antares CLO 2017-2 is a dual compliant deal that allows managers to sell CLOs into Europe, which appears to me a popular choice in the middle-market space.



Mid-market primary snapshot:

	CLO name	Fortress Credit Opportunities IX	TIAA Churchill Middle Market CLO II	Antares CLO 2017-2
Pricing date		01-Nov-17	06-Nov-17	09-Nov-17
Type		MM new	MM new	MM new
Manager		Fortress	Nuveen Alternatives Advisors/Churchill AM	Antares
Arranger		Natixis	Wells Fargo	Credit Suisse
Currency		USD	USD	USD
Size \$m		1500.0	307.3	1208.8
DM (Cpn)	AAA/Aaa	155 (155)	150 (150)	- (153)
	AA/Aa2	195 (195)	180 (180)	- (175)
	A/A2	265 (265)	245 (245)	- (235)
	BBB/Baa2	395 (395)	370 (370)	- (355)
	BB/Ba2	785 (725)	875 (730)	- (775)
	B/B2	-	-	-
Reinvestment period		15-Nov-21	24-Jan-22	20-Jan-22
Risk retention compliance		-	-	Dual, horizontal
Leverage ratio		4.0x	8.8x	7.2x
Cost of debt		2.21%	2.17%	2.16%