



## New kids on the block dominate awards

Two firms that have been in the market for fewer than seven years were named top managers at the Creditflux awards in May while Nassau Corporate Credit scooped Best US Boutique CLO Manager

by Sam Robinson

research Robin Armitage, Lafri Reda

**S**pire partners rounded off a successful evening at Creditflux's 11th Manager Awards by securing the coveted Manager of the Year trophy. The award marked a rapid rise for the London-based firm, which debuted in European CLOs in March 2015.

Spire has previously been successful in the European Boutique Manager category, but this year, with five CLOs amounting to nearly €2bn in assets under management, the firm claimed the awards for best European CLO and Best European CLO manager, as well as the overall prize.

In the awards focusing on the US market, another young firm came out on top, with Sound Point Capital Management dominating by winning best US CLO and best US CLO manager. The New York-based firm priced its debut CLO in September 2012 and is an established presence in the awards, having earned at least a finalist spot every year since 2016.

The boutique winners were Black Diamond's European team, and Nassau Corporate Credit in the US. Direct lenders also received recognition, with Ares taking the award for best European fund, and Monroe winning best US direct lending fund for the second year in a row.



Alex Jackson & Sean Griffin  
(JP Morgan)

Best US boutique CLO manager

### Nassau Corporate Credit

*Finalists*

- Allstate Investment Management
- Gallatin Loan Management
- Saratoga Investment Management

*Methodology & Eligibility*

mean blended outperformance across all the manager's deals  
US CLO managers with four or fewer active deals



Creditflux Manager of the Year

# Spire Partners

Finalists

Finalists  
 Nassau Corporate Credit  
 Octagon Credit Investors  
 Sound Point Capital Management  
 Methodology  
 highest average ranking across all deals



Oliver Drummond Smith

Best new US CLO



# Halcyon Loan Advisors Funding 2018-1

Bardin Hill

Finalists

CBAM 2018-6  
 Nassau 2018-1  
 Octagon 37

Methodology  
 blended outperformance

Eligibility

CLOs with broadly syndicated US collateral that went effective in 2018 and are listed in CLO-i

*Pictured: David Snyder*

Best new European CLO



# BlackRock European CLO 5

BlackRock

Finalists

Aurium CLO IV (Spire Partners)  
 Black Diamond CLO 2017-2 (Black Diamond)  
 Halcyon Loan Advisors European Funding 2018-1 (Bardin Hill)

Methodology  
 blended outperformance

Eligibility

CLOs with European collateral that went effective in 2018 and are listed in CLO-i

*Pictured: Conor Daly, Aly Hirji, Jeff Soar*

Best US CLO



# Sound Point CLO IV-R

Sound Point Capital Management

Finalists

Mountain View CLO X (Seix Advisors)  
 Octagon 27  
 Steele Creek CLO 2014-1R

Methodology  
 blended outperformance

Eligibility

CLOs with US collateral that are within reinvestment, went effective before 2018 and are listed in CLO-i

*Pictured: Rick Richert, Renee Gallizzo*

Best European CLO



# Aurium CLO II

Spire Partners

Finalists

BlackRock European CLO 1; Cadogan Square CLO V (Credit Suisse Asset Management); Cordatus Loan Fund V (CVC Credit Partners)

Methodology  
 blended outperformance

Eligibility

CLOs with European collateral that are within reinvestment, went effective before 2018 and are listed in CLO-i

*Pictured: Phil Bennett-Britton, Oliver Drummond Smith*

Best European CLO manager



# Spire Partners

Finalists

Barings  
 Credit Suisse Asset Management  
 CVC Credit Partners

Methodology  
 mean blended outperformance across all the manager's deals

Eligibility

Firms with at least four current actively-managed CLOs that invest in European collateral

*Pictured: Phil Bennett-Britton*

Best Euro boutique CLO manager



# Black Diamond Capital

Finalists

GoldenTree Asset Management  
 Ostrum Asset Management  
 Permira Debt Managers

Methodology  
 mean blended outperformance across all the manager's deals

Eligibility

European CLO managers with three or fewer active deals

*Pictured: Martin Ward*

Best Euro CLO redeemed in 2018



# Harbourmaster Pro Rata 3 GSO

Finalists

Cordatus Loan Fund II (CVC Credit Partners)  
 Eaton Vance CDO X  
 Jubilee I-R (Alcentra)

Methodology  
 final IRR

Eligibility

CLOs that owned European collateral and that repaid all their debt in 2018

*Pictured: Alex Leonard*

Best 1.0 US CLO redeemed in 2018



# California Street CLO III

Symphony

Finalists

Lime Street CLO Ltd (First Eagle)  
 Mountain View CLO III (Seix Advisors)  
 Venture VIII (MJX)

Methodology  
 final IRR

Eligibility

1.0 CLOs that owned US collateral and that repaid all their debt in 2018

*Pictured: Scott Snell (Tetragon), Diana Minott (Paul Hastings)*

Best 2.0 US CLO redeemed in 2018



# NZCG Funding 2

Guggenheim Investments

Finalists

ALM XI (Apollo)  
 Babson CLO 2013-II (Barings)  
 Cent CLO 18 (Columbia)

Methodology  
 final IRR

Eligibility

2.0 CLOs that owned US collateral and that repaid all their debt in 2018

*Pictured: Adrian Duffy*

Best US CLO manager

# Sound Point Capital Mgt

**Finalists**

CBAM Partners  
Octagon Credit Investors  
ZAIS Group

**Methodology**

mean blended outperformance across all the manager's deals

**Eligibility**

Firms with at least four current actively-managed CLOs based on broadly syndicated US collateral



Rick Richert

Best new middle market CLO



## Cerberus Loan Funding XXIII

Cerberus Business Finance

**Finalists**

Golub Capital Partners CLO 36 (M)  
Ivy XIV (Ares)  
Monroe Capital MML CLO VI

**Methodology**

blended outperformance

**Eligibility**

CLOs with US mid-market collateral that went effective in 2018 and are listed in CLO-i

*Pictured: Joe Carden*

Best middle market CLO



## Cerberus Loan Funding XXI

Cerberus Business Finance

**Finalists**

Carlyle Direct Lending 2015-1R  
Golub Capital Partners CLO 16(M)-R  
NewStar Arlington CLO (First Eagle)

**Methodology**

blended outperformance

**Eligibility**

CLOs that invested in mid-market collateral that are within reinvestment, went effective before 2018 and are listed on CLO-i

*Pictured: Joe Carden, Rosie Stock (Morgan Stanley)*

Best European direct lending fund



## Ares Capital Europe II

Ares Management

**Finalists**

Beechbrook Mezzanine II  
Cordet Direct Lending Fund I  
Kartesia Credit Opportunities III  
Tikehau Direct Lending IV

**Methodology**

leverage-adjusted IRR

**Eligibility**

Private equity-format funds that invest predominantly in non-syndicated debt from European companies with ebitda below €50 million

*Pictured: Francois Gauvin*

Best US direct lending fund



## Monroe Senior Secured Direct Loan Fund

Monroe Capital

**Finalists**

AG Direct Lending Fund (Angelo Gordon)  
Churchill Middle Market Senior Loan Fund  
THL Credit Direct Lending Fund III

**Methodology**

leverage-adjusted IRR

**Eligibility**

Private equity-format funds that invest predominantly in non-syndicated debt from US companies with ebitda below \$50 million

*Pictured: Sean Duff*

Best closed-end CLO fund



## Clareant Structured Credit Opp Fund III

Alcentra

**Finalists**

Blackstone/GSO Loan Financing  
CIFC CLO Opportunity Fund II  
Napier Park Strategic CLO Fund  
Oxford Bridge (Oxford Funds)

**Methodology**

IRR

**Eligibility**

Funds that invest predominantly in CLOs and that have no periodic redemption requirements

*Pictured: Alcentra team with Cathy Bevan (left), Hiram Hamilton (holding award)*

Best CLO Fund



## BK Opps Fund III

Crystal Fund

**Finalists**

Alcentra Structured Credit Opportunities Fund II  
Axa IM Novalto - CLO Credit Fund  
Lupus alpha CLO Opportunity Notes II

**Methodology**

volatility-adjusted weighted performance

**Eligibility**

Funds that invest predominantly in CLOs and that are present in Crediflux's monthly performance listings

*Pictured: Olivier Gozlan*



## Awards methodology

### Blended outperformance

The average ranking of each CLO relative to its peers by six performance metrics. This rewards managers that achieve the greatest performance for all classes of investors. Metrics are: change in junior OC; warf; average collateral value; weighted average spread;

cash-on-cash return to equity; and equity volatility. Day-one arbitrage is considered for new CLOs.

### Volatility-adjusted weighted performance

A measure that combines absolute change in mark-to-market net asset value during 2018 and volatility relevant to

each fund's redemption profile. Funds that promise liquidity need to deliver stable returns; those that lock up investors' capital need to achieve greater absolute performance.

### Leverage-adjusted IRR

IRR net of fees to 31 December 2018, taking into account

the amount of capital raised and deployed, and adjusted for the average debt-to-ebitda leverage at inception of borrowers in the portfolio.

### Final IRR

Equity IRR based on the notional size of the CLO equity and taking into account all payments received by the end of 2018.