Monthly Letter April 2018

BANKLOANS

AlphaFixe Capital

Volume	($ billion)	Change ($ billion)	Change (%)
April 2018	33	-19	-36%
April 2017	52		
2018 (YTD)	162	-61	-27%
2017 (YTD)	223		
2018 (12M)	442	-59	-12%
2017 (12M)	501		
Important transactions			
Avolon Aerospace Ltd		Refi.	BBB-/Ba1
$ 4.8 billion		Financial	L+200
Hilton Hotels Corp		Refi.	BBB-/Baa3
$ 3.4 billion		Leisure	L+175

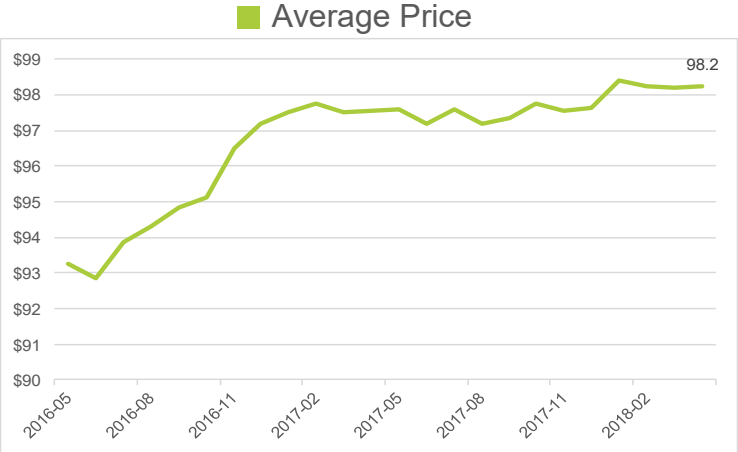
Highlights

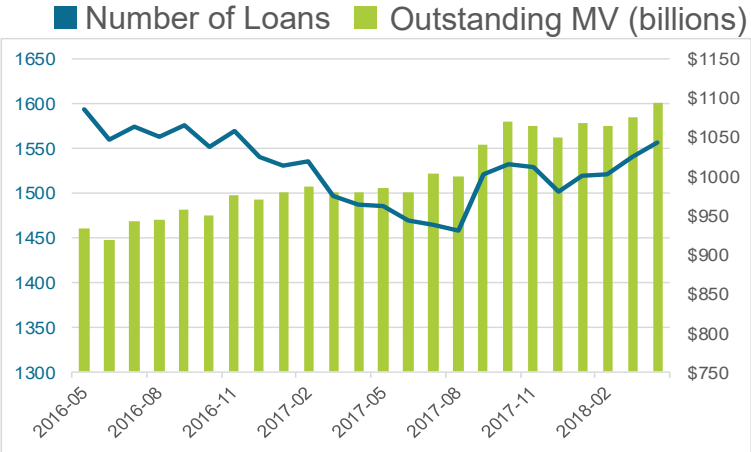
Bank loan issuers took a break in April. Issuance volume for the month was at its lowest since the beginning of 2018, but still remained within the average of the last 12 months. M&A activity in proportion to the total volume remained high at 55%. Refinancing activities accounted for 32% of the total volume. Issuers of bank loans with a credit rating of "B" were particularly active in April (more than 75% of total volume). In addition, the face value of the outstanding North American bank loan market reached a record level of $ 1 000 billion in the last month.

Investor demand for bank loans remained buoyant in April. CLO (Collateralized Loan Bond) issuance volume was $ 10.9 billion, up $ 0.7 billion from the same period last year. For a fourth consecutive month, bank loan investment fund capital inflows were $ 2 billion. Thus, demand for bank loans in April was above average of the last 12 months.

Performance	1 mth	3 mths	YTD	12 mths	Weight	Yield [3]
Credit Suisse Index[1]	0.5%	1.0%	2.1%	4.7%		6.7%
Industry[1]	1 mth	3 mths	YTD	12 mths	Weight	Yield
Aerospace	0.5%	0.9%	1.9%	5.3%	2.1%	5.8%
Chemicals	0.5%	1.1%	1.8%	4.9%	3.2%	5.8%
Consumer Durables	0.4%	-3.4%	-0.2%	-2.6%	0.7%	8.4%
Consumer Non-Durables	-0.3%	-0.1%	1.5%	2.0%	1.8%	8.1%
Energy	0.8%	1.8%	3.6%	3.8%	3.3%	8.7%
Financial	0.5%	1.1%	2.0%	5.5%	5.8%	6.1%
Grocery/Drug Stores	0.7%	1.1%	2.7%	4.0%	0.7%	6.4%
Food Production/Restaurants	0.5%	0.8%	1.8%	4.5%	4.5%	6.1%
Forest Prod/Containers	0.5%	0.8%	1.5%	4.7%	2.4%	6.0%
Gaming/Leisure	0.5%	0.9%	1.7%	4.9%	5.9%	5.6%
Healthcare	0.6%	1.1%	2.1%	5.3%	11.3%	6.4%
Housing	0.5%	1.1%	1.9%	5.0%	2.5%	6.0%
Information Technology	0.5%	1.1%	2.1%	5.2%	11.5%	6.6%
Manufacturing	0.5%	1.0%	2.0%	5.4%	4.6%	6.5%
Media/Telecom	0.5%	0.9%	2.0%	4.4%	15.9%	6.3%
Metals/Minerals	1.2%	1.7%	3.9%	6.7%	1.2%	8.5%
Retail	0.3%	0.8%	3.6%	2.2%	4.4%	10.3%
Service	0.5%	1.1%	1.9%	5.2%	12.3%	6.6%
Transportation	0.1%	0.9%	2.0%	3.5%	2.8%	7.5%
Utilities	0.4%	1.0%	2.1%	6.3%	3.1%	6.7%
Credit Rating[1]	1 mth	3 mths	YTD	12 mths	Weight	Yield
BBB (split)	0.5%	0.9%	1.6%	3.4%	8.9%	4.8%
BB	0.5%	0.9%	1.7%	4.2%	23.0%	5.3%
BB (split)	0.5%	0.9%	1.8%	3.7%	13.2%	6.0%
B	0.5%	1.0%	2.1%	5.1%	43.7%	6.9%
B (split)	-0.1%	1.1%	3.2%	8.1%	3.2%	11.0%
CCC/CCC (split)	0.6%	1.4%	4.3%	6.3%	4.8%	13.1%
Other (below CCC/non-rated)					3.2%	
Credit Suisse Quality[2]	**0.4%**	**0.8%**	**1.5%**	**3.5%**		**4.7%**

Credit Suisse Index[1]





[1] Credit Suisse Leveraged Loan Index in USD - Data by Credit Suisse Fixed Income Research
[2] 5% T-bills (91 days) / 76% Credit Suisse BB ex Energy, Metals & Minerals / 19% Credit Suisse B+ ex Energy, Metals & Minerals (CAD Hedged)
[3] Yield 3-year life (or less depending on maturity) and floating rates swapped to fixed rates

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