Monthly Letter August 2020

BANKLOANS

AlphaFixe Capital

Volume[1]	(US$ billion)	Change (US$ billion)	Change (%)
August 2020	16	+4	+36%
August 2019	12		
2020 (YTD)	287	+66	+30%
2019 (YTD)	220		
2020 (12M)	460	+94	+26%
2019 (12M)	366		

Important transactions

Milano Acquisition/DXC State & Local HHS	Leverage buy-out	B+/B2
$ 2.4 billion	Healthcare	L+400
Asplundh Tree Expert	Dividend	BBB-/Ba1
$ 2 billion	Service	L+250

CLO (issuance volume)	($ billion US)	Change ($ billion US)	Change (%)
August 2020	3.6	-3.7	-51%
August 2019	7.3		
2020 (YTD)	49.3	-34.3	-41%
2019 (YTD)	83.6		

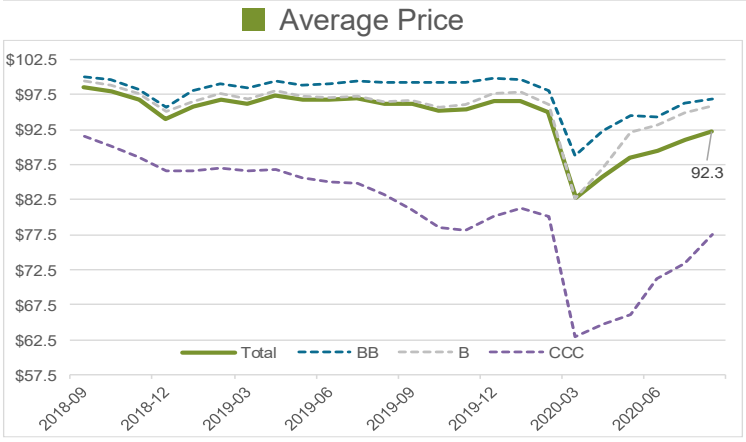
Capital Inflow/Outflow (Retail Investment Fund)	($ billion US)	Change ($ billion US)	Change (%)
August 2020	-0.7	+2.1	N/A
August 2019	-2.8		
2020 (YTD)	-17.7	+5.2	N/A
2019 (YTD)	-22.9		

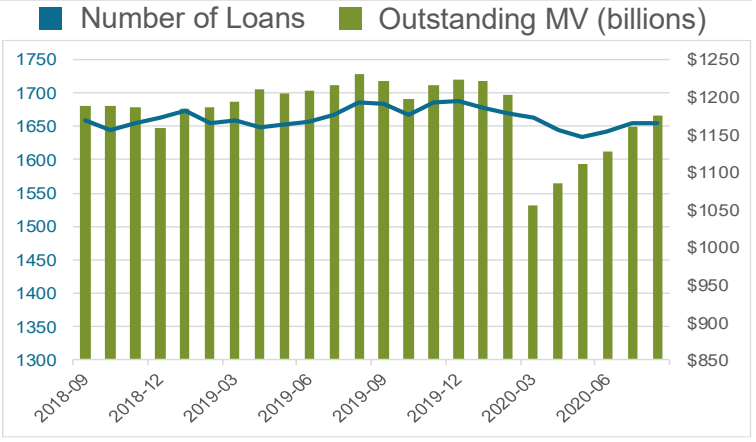
Highlights

Similar to last year, the new issuance volume in August was low. This period is historically influenced by the two weeks of the American holidays at the end of the month. The five largest issues represent more than 50% of the monthly volume, demonstrating a low number of transactions. During the month, M&A's accounted for nearly 34% of new issuance volume. Refinancing activities totaled 28% of the monthly volume, while other sources (general requirement/rescue loans) accounted for 22% of issues.

Performance	1 mth	3 mths	2020 to date	12 mths	Weight	3-Y. Yield [4]
Credit Suisse Index[2]	1.5%	4.8%	-1.6%	0.3%		6.3%
Industry[2]	1 mth	3 mths	2020 to date	12 mths	Weight	3-Y. Yield
Aerospace	3.7%	5.3%	-8.1%	-5.8%	2.3%	8.0%
Chemicals	0.9%	3.7%	1.0%	3.4%	3.8%	5.1%
Consumer Durables	2.1%	4.7%	-6.1%	-5.3%	0.7%	6.7%
Consumer Non-Durables	2.8%	6.7%	-6.5%	-5.6%	1.9%	9.2%
Energy	2.6%	9.0%	-14.0%	-16.3%	2.8%	11.0%
Financial	0.6%	3.3%	1.2%	3.7%	7.3%	4.8%
Grocery/Drug Stores	0.8%	4.5%	13.6%	17.1%	0.3%	6.0%
Food Production/Restaurants	1.4%	3.9%	-0.9%	0.8%	4.2%	5.2%
Forest Prod/Containers	1.1%	3.4%	1.3%	3.6%	2.8%	5.1%
Gaming/Leisure	1.6%	3.9%	-5.0%	-3.2%	5.4%	6.5%
Healthcare	1.4%	4.8%	1.1%	4.3%	12.6%	6.0%
Housing	0.9%	4.4%	-0.5%	2.1%	2.9%	5.1%
Information Technology	1.3%	4.4%	1.5%	4.2%	12.8%	5.7%
Manufacturing	2.3%	7.2%	-1.4%	0.4%	4.4%	7.1%
Media/Telecom	1.7%	3.8%	-2.3%	-0.6%	14.3%	5.9%
Metals/Minerals	2.1%	6.3%	-5.5%	-10.6%	0.8%	8.1%
Retail	1.8%	9.5%	-6.3%	-2.0%	3.1%	7.8%
Service	1.4%	5.4%	-1.8%	-0.5%	11.4%	7.0%
Transportation	1.9%	6.2%	-1.2%	0.9%	3.4%	6.6%
Utilities	0.0%	3.3%	-1.0%	-0.2%	2.7%	6.7%
Credit Rating[2]	1 mth	3 mths	2020 to date	12 mths	Weight	3-Y. Yield
BBB (split)	0.6%	1.7%	-0.9%	0.8%	6.8%	3.4%
BB	0.7%	2.4%	-2.3%	-0.5%	15.8%	4.0%
BB (split)	1.1%	3.4%	-2.5%	-0.6%	9.5%	5.1%
B	1.4%	4.8%	-0.8%	1.6%	51.9%	5.9%
B (split)	4.3%	10.0%	-8.3%	-8.5%	5.4%	10.4%
CCC/CCC (split)	4.2%	11.7%	-6.7%	-6.5%	6.3%	15.1%
Other (below CCC/non-rated)					4.3%	
AlphaFixe Quality Index[3]	**0.7%**	**2.3%**	**-1.7%**	**0.2%**		**3.8%**

Credit Suisse Index[2]





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

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