



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

The current state of the leveraged loan market: are there echoes of the 2008 subprime market?

White Paper March 2019



Table of contents

Executive summary	03
Section 1: how much has leveraged lending grown and what are the danger signs?	04
Section 2: have lending standards and loan terms deteriorated?	07
Section 3: can the current market be compared with the subprime market seen before the GFC?	09
Section 4: what happened in the leveraged loan market in December 2018?	12
Conclusion and outlook for 2019	14
Contacts	15

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Executive summary

Warnings of the supposed dangers forming in the leveraged loan market from commentators, including the International Monetary Fund and the Governor of the Bank of England, have triggered a succession of dramatic headlines in recent months. The commentary ranges from concern about elevated leverage levels and reduced credit standards to observations that the current leveraged loan market mirrors the subprime market that was seen just before the “bust” of 2008.

In December 2018, we saw a rapid and marked sell-off in the leveraged loan market, particularly in the US, and the new-issue market for leveraged loans ground to a halt. Although the leveraged loan (and other) markets recovered somewhat in January 2019, do the events of December in particular mean that all those commentators were correct and worse is still to come? Or, is the fear overdone and does the recent correction represent an opportunity to deploy capital at more attractive pricing levels?

In this White Paper, we analyze the growth in the leveraged loan market and compare that growth with those in other credit markets. We also look at how credit conditions have changed in the leveraged loan market in recent years and compare the market as a whole with the subprime market that was observed before the last financial crisis. We conclude that while growth has been rapid in the leveraged loan market and certain credit metrics have weakened, we do not believe that the current market even closely resembles the 2008 subprime market. Moreover, we see the recent market volatility as more of a welcome correction – one that may generate attractive investment opportunities – than a threat.

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A note on terminology

Before looking at the market, it is important to clarify the use of the term “leveraged” in the context of the leveraged loan market. This term alone tends to alarm investors and is often misunderstood. The leveraged loan has its origins in the private equity buyout model; private equity groups use these loans to fund buyouts and thus “leverage” their equity in the buyout. Today, leveraged loans are also frequently used for other corporate purposes and can be issued to borrowers without a private equity sponsor.

At its core, a leveraged loan is a commercial loan, exactly the same as a bank would directly give to a corporation. The loans are senior, ranking highest in the capital structure, and secured by a first lien on the issuer’s assets. Indeed, many

market participants in the US refer to them as “bank loans” rather than leveraged loans.

The factor that distinguishes leveraged loans versus traditional commercial bank loans is that in the former, the issuer has a non-investment-grade credit rating (either public or implied) and therefore warrants a more complicated issuance process than when obtaining a loan directly from a bank. These loans are first arranged by one or a group of banks and then syndicated to institutional investors. This process has also led to the development of a robust secondary market for these loans, which enables market participants to buy and sell loans rather than simply hold them to maturity.

Section 1: how much has leveraged lending grown and what are the danger signs?

The US leveraged lending market grew substantially, roughly doubling in size from 2008 to 2018. The total par outstanding is now over USD 1 trillion in size in the US and around USD 1.3 trillion globally.²

For comparison, it is worth noting that there have been similar periods of robust growth in both the investment-grade and non-investment-grade corporate bond markets. The US corporate bond market roughly tripled in size between 1995 and 2005, and the US high-yield market roughly doubled in size from 2005 to 2015. In the past ten years, there has still been robust growth in the US high-yield market, but it has been outstripped by the growth in the US leveraged lending market, particularly over the last 12 to 18 months.³

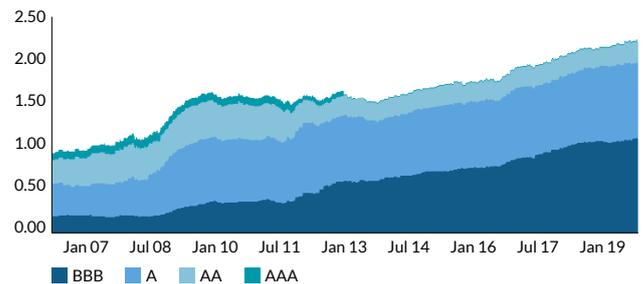
This is perhaps not surprising. One of the key aims of the new regulations created after the global financial crisis (GFC) was to reduce banks' lending books. This spurred a huge boom in institutional (non-bank) lending. Growth has also been driven, in the US at least, by robust economic growth and a prolonged ultra-low-interest rate environment, which has encouraged corporates to borrow record amounts at relatively low costs.

In assessing the risk of the market aside from its outright growth, it is important to look at how the underlying credit profile of borrowers has changed with the market growth. While many European leveraged loans still only have private ratings, the vast majority of syndicated leveraged loans in the US are publicly rated. The chart below shows how the credit rating profile of the US leveraged lending market has slowly migrated towards lower-rated issuers. This does suggest that overall credit quality has deteriorated, at least from a rating perspective. However, it could also point to a more conservative approach by the rating agencies who were widely criticized after the GFC for being both too slow and too lenient in how they rated corporate and, in particular, structured credit.

² LCD, December 2018.
³ Moody's, January 2019.

Another comparison point in terms of both market growth and deterioration of credit rating quality is that the European investment-grade credit market has approximately doubled in size over the last ten years. This growth has largely occurred through an increasing component of lower-rated borrowers – BBB-rated names now account for around 40% of total issuance, up from approximately 20% ten years ago. This means that the BBB-rated European credit market has quadrupled in size over the last ten years.

Rating evolution for EUR investment-grade credit since 2007



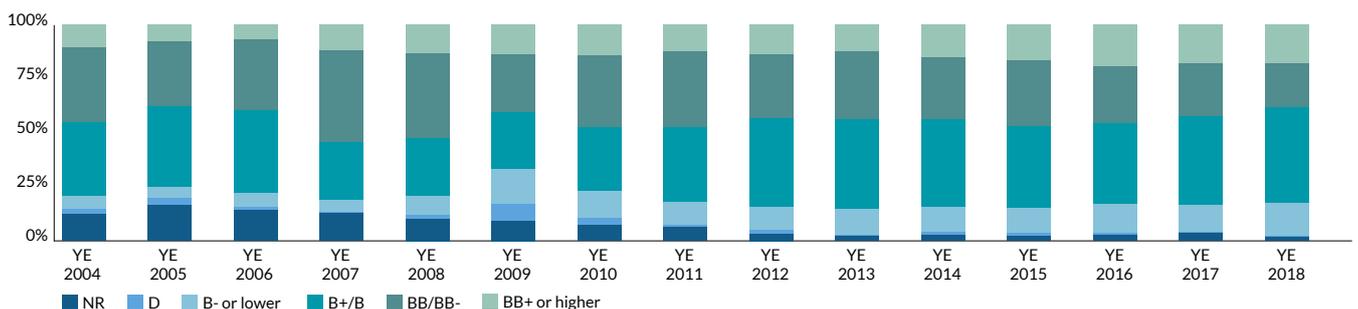
Source: Bloomberg, ICE, January 2019

In summary, a simple look at market growth and credit quality migration reveals that the leveraged lending markets do not appear to be out of step with other credit markets. All credit markets are showing signs of rapid expansion driven generally by lower-rated borrowers.

We must dig a little deeper into leveraged lending markets in order to further assess how credit quality has changed with the market growth aside from the gradual decrease in overall credit ratings.

There has been a well-publicized, albeit slow, increase in leverage levels in recent years. Given that rating agencies tend to penalize overly levered companies, it is likely that these two characteristics – increasing leverage and decreasing credit ratings – are highly correlated. Until 2016, leverage levels had remained within those seen pre-GFC. The (small) jump in leverage levels from 2016 onwards, particularly the increase

Credit quality risk: majority of the market is lower rated



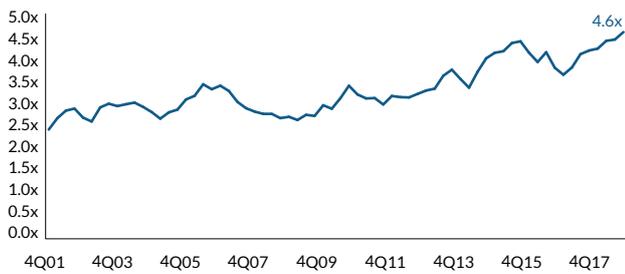
Source: LCD, December 2018

in the percentage of leveraged buyouts (LBOs) with more than 6x leverage in 2018, is likely driven by the gradual roll-back of regulation in the US, which coincides with the new administration.

However, a look at credit quality and a comparison of the current and pre-crisis markets show that not all trends are negative.

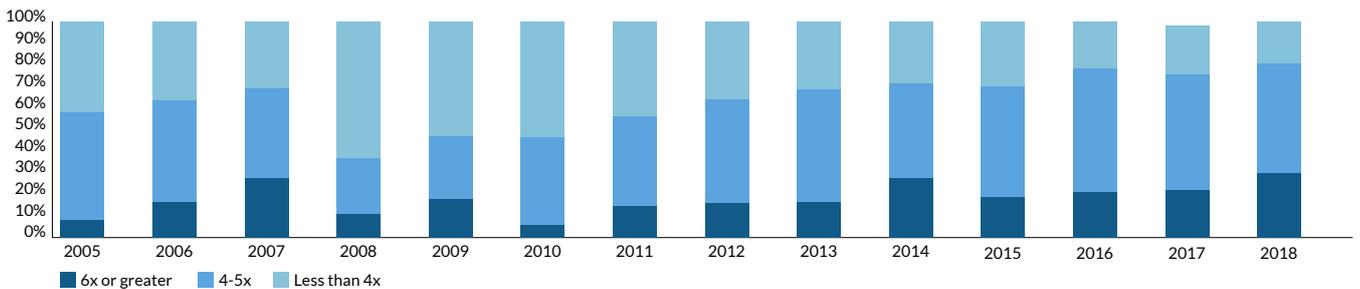
One positive trend is interest coverage levels. Even in the US, interest rates remain at low levels compared with pre-crisis rates. LIBOR remained at historic lows from 2009 to 2015 and is currently at roughly half the level sustained through 2006 to 2007. The cost for companies to service their debt remains low, and the cash flow coverage that companies have compared with the cost of servicing that debt remains well above pre-crisis levels.

Weighted average interest coverage of outstanding loans



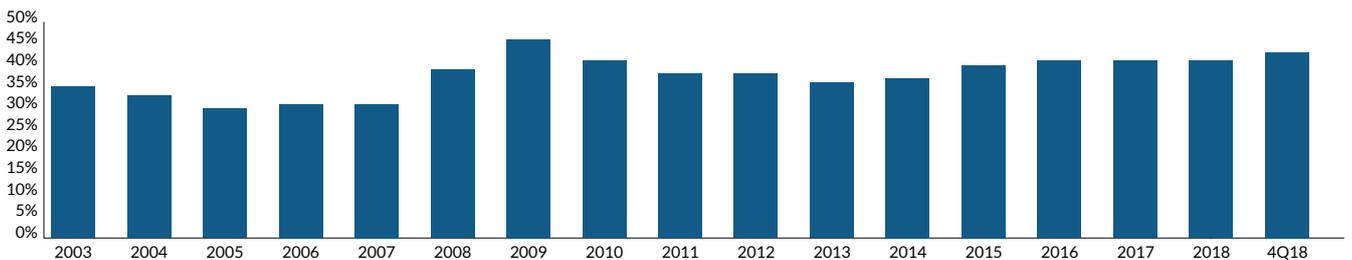
Source: LCD, December 2018

Leverage levels are increasing: distribution of total debt/EBITDA for all transactions



Source: LCD, December 2018

Equity contributions remain strong: average equity contribution for all US LBOs



Source: LCD, December 2018

In addition, the quarterly earnings growth of US leveraged loan issuers has remained a positive story over the last two years, as shown in the chart below.

Quarterly EBITDA growth of US leveraged loan issuers

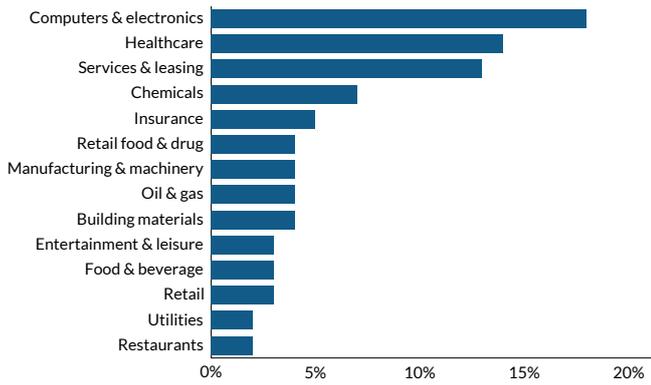


Source: LCD, December 2018

Finally, equity contributions remain strong. This means that as a percentage of enterprise value, sponsors continue to put a significant percentage of money into transactions. Put simply, they continue to have significant "skin in the game," and, notably, more than they had prior to the GFC, on average.

One additional trend, which could be viewed as both positive and negative, is that leveraged lending market growth has been driven by certain sectors. In terms of notional outstanding, the loan market today is concentrated in the healthcare and technology (predominantly software) sectors. While these sectors tend to fare better in volatile markets, they are by no means insulated from market shocks. Loan volumes in cyclical industries and commodities remain low as a proportion of the total market.

Sponsored loan volume by industry in 2018



Source: LCD, December 2018

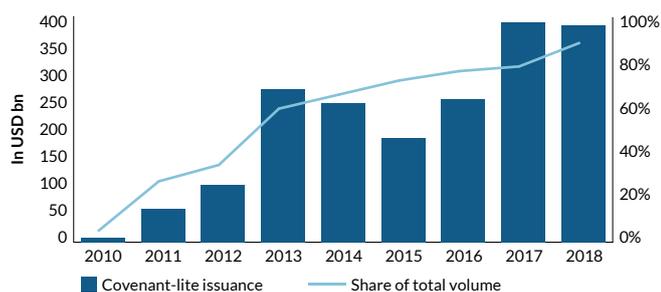
Section 2: have lending standards and loan terms deteriorated?

It is hard to ascertain whether lending standards have weakened, but the prevalence of lower-rated loans, driven by more levered structures, would seem to suggest that this is the case. One other – and often talked about – phenomenon is the growth of covenant-lite loans.

Covenant-lite loans

Covenant-lite loans are borrower-friendly loans that feature incurrence covenants instead of maintenance covenants. Incurrence covenants have to be met only if the debt issuer wants to undertake a particular action (i.e. take on more debt), whereas more traditional maintenance covenants require the borrower to meet regular financial tests regardless of actions taken.

Covenant-lite volume



Source: LCD, December 2018

As shown above, the share of covenant-lite loans as a percentage of overall leveraged loan issuance has grown substantially. It has become the “norm” for leveraged loans to be issued on a covenant-lite basis. Whether this is a positive or negative development remains to be seen. A violated covenant gives a senior lender the power to take action against the borrower; this may be in the form of a waiver for a small fee, an increase in the coupon rate, or an additional equity injection. Covenants also give lenders the power to make changes in the event of underperformance, which could ultimately force a company into bankruptcy.

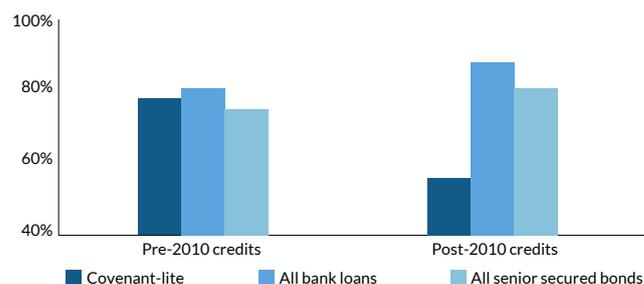
In a covenant-lite loan, there is usually a financial covenant for the revolving credit facility. These covenants tend to be “springing” facilities; i.e. the covenant is tested when the revolver is drawn to a certain level, typically around 30-35%. This affords some additional protection to senior lenders, but not the same protection as having a financial maintenance covenant in the senior loan documentation.

Nearly all senior lenders would prefer not to have covenant-lite loans; however, a strong covenant package does not make a

bad credit a good one. Furthermore, a covenant that is set with considerable headroom for the borrower, i.e. “covenant-loose,” is almost the same as covenant-lite.

The market expectation is that the increasing presence of covenant-lite loans will most likely elongate the default cycle but ultimately lead to lower recovery rates.⁴ The theory here is that if it takes longer for a company to be put into default by its lenders, then its prolonged underperformance can lead to asset erosion, which, in turn, leads to a lower recovery. There is very little data on covenant-lite recovery rates, particularly on recent vintage loans that have entered into and emerged from default. Analysis from LCD shows that the average discounted recovery rate on covenant-lite loans undertaken before 2010 is 78%, but this drops to 56% for covenant-lite loans originated in 2010 and later. However, given that there are only 40 defaults in total and only 13 post-2010, the data set is not large enough to accurately project what would happen should default rates pick up from current lows.

Average discounted recoveries in case of defaults



Source: LCD, July 2018

The increasing number of covenant-lite loans most likely represents an overall deterioration in loan terms. However, perhaps more concerning than this is the increasing prevalence of other, more aggressive documentation features, such as EBITDA add-backs; larger, more flexible incremental loan facilities and looser negative covenants; restricted payments; and “trap doors.” This last category includes actions such as designating subsidiaries as unrestricted subsidiaries after closing; making “investments” in unrestricted subsidiaries; providing flexibility for asset sales without reducing secured debt; and offering larger, more flexible debt and lien incurrence baskets.

Transactions with EBITDA adjustments (such as add-backs of costs, which increase EBITDA and correspondingly lower deal leverage on an adjusted basis) have increased from under 10% of total transactions before 2010 to close to 30% today.⁵ Similarly, the amount of add-backs in deal structures has also increased. As an example, synergies or cost savings, which are a major component of EBITDA add-backs in M&A transactions, were typically capped at 5-10% of unadjusted EBITDA when first introduced. Over the past few years, anecdotal

⁴ LCD; S&P LossStats, July 2018.

⁵ LCD, December 2018.

commentary from law firms has pointed towards an upwards shift in the typical cap to 15-25% and a total removal of the cap in some deals. Therefore, in our view, certain deals are more vulnerable to market stress events.

All of these documentation features, which are too numerous to thoroughly explore in this White Paper, point to a more aggressive leveraged lending market where borrowers have power and lenders are willing to accept looser documentation in the search for returns.

In our view, this is of great concern. Worryingly, alongside more aggressive terms, there has been a gradual, albeit not uninterrupted, decline in new-issue institutional loan spreads since the early 2010s. In other words, lenders are accepting worse terms and getting less spread in compensation for these poorer terms. This reflects a market where borrowers have strong negotiating power due to an excess of willing lenders.

Weighted average new-issue institutional spreads



Source: LCD, December 2018

However, in late 2018, we saw an overall increase in market volatility with falling prices of “risk assets”, i.e. assets that carry a degree of risk. This also impacted the pricing of loans in the secondary market. Consequently, we saw a marked reversal of the declining trend in new-issue loan spreads.

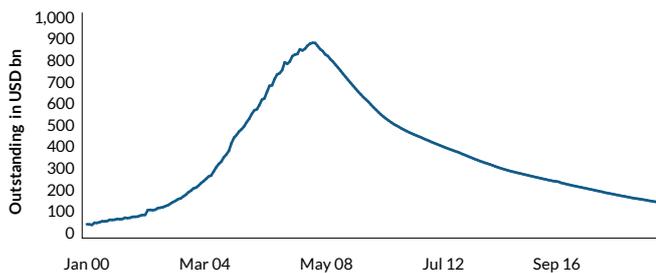
Section 3: can the current market be compared with the subprime market seen before the GFC?

The most dramatic and concerning of all recent commentary surrounding the leveraged loan market compares the growth in leveraged lending with that of the pre-2008 subprime market, thus implying that we are headed towards another credit crisis. In our view, this argument cannot be supported due to the key differences that exist between the leveraged loan and subprime markets in terms of the underlying risk and buyer base.

Size and growth

In terms of size and growth, the subprime market peaked in June 2007 at USD 867 billion. While that is smaller than the current size of the leveraged lending market, it represented a ten-fold increase from the size of the market at the start of 2000. This contextualizes the doubling in size of the leveraged loan market over the last ten years.

US subprime market peaked in June 2007, when total outstanding debt was USD 867 billion



Source: Bank of America Merrill Lynch, December 2018

Lending standards

As we have illustrated above, lending standards in the leveraged loan market appear to have deteriorated in recent years. In some ways, this mirrors the subprime market, where standards deteriorated as the market ballooned in size. However, that is where the similarity ends.

In the leveraged loan market, we might have a private equity sponsor financing the acquisition of a company that has a USD 1 billion enterprise value and USD 100 million of EBITDA with USD 500 million of debt in addition to their USD 500 million equity investment.

In the subprime mortgage market, you often had an individual with poor credit history and insecure income purchasing a property with a 5-10% (or sometimes 0%) down-payment, with their bank financing the remaining amount. There was little, if any, due diligence on the individual. Instead, the bank simply relied on the value of the property, presumably on the assumption that US house prices would never fall.

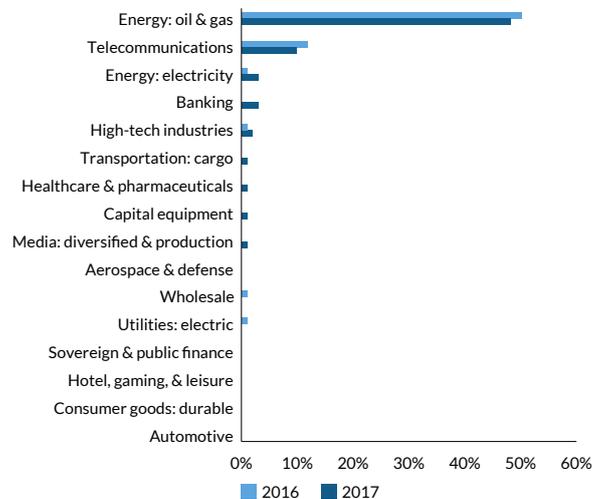
Many mortgages had attractive teaser rates that were adjustable floating rates, but rates often became unserviceable for the individual once the teaser rate expired, precipitating defaults across the country.

Market correlation and defaults

The key issue with the growth in subprime mortgages was that all the exposure to them, no matter the geography, was highly correlated. There was little to no diversification benefit within subprime residential mortgage-backed securities (RMBS) portfolios, and, as US house prices fell, subprime borrowers defaulted at more or less the same time.

The leveraged lending market is fundamentally different. Although there is some correlation between different types of exposure, it is very difficult to see one factor impacting all borrowers in the same way and at the same time. For example, falling commodity prices in 2016 had a significant impact on the loan market, and both loan prices and default rates suffered as a consequence. However, the commodity price fall that hurt the oil and gas industry also led to reduced input prices, thus benefitting a number of other industries.

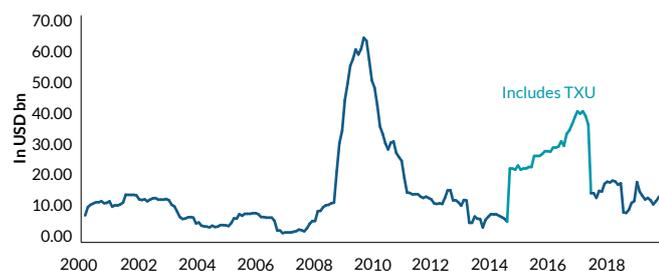
Oil & gas had the most defaults by volume over 2016-2017



Source: Moody's Annual Default Study, 1920-2017

Historically, corporate default rates have been low. Since 2010, default rates have been averaging at 2%. The current default rate is 1.63%. Today's low default rates can be attributed to global economic growth, strong liquidity, and positive earnings growth. However, how long will the current cycle last? Since the GFC, the credit market has experienced eight years of benign conditions.

Par amount in default: eight years of benign credit conditions



Source: LCD, December 2018

One similarity that is being drawn between the leveraged loan market and the subprime market is the rate environment. The Federal Reserve's (Fed's) gradual tightening of monetary policy leads to higher borrowing costs to loan issuers. In the period leading up to 2008, the Fed's rate hikes finally burst the housing bubble. Inevitably, as economic growth slows and we move closer to the next downturn, default rates are bound to pick up.

As the implications of today's looser lending standards have not been market stress-tested, we can look at historical default cycles to set the basis for default expectations.

The LTM par credit default rate (CDR) of the US S&P leveraged loan index peaked at 10.8% during the previous credit cycle. Default rates averaged around 6% during the dot-com bubble. By contrast, the CDR for subprime RMBS reached 25% during the GFC. However, high default rates do not necessarily imply high loss rates to investors. What is more telling is looking at recovery rates post-default. Moody's latest default study shows that ultimate loan recovery rates averaged 80.4% between 1987 and 2017, comparing very favorably with senior secured bonds (62.3%) and senior unsecured bonds (47.9%).

Collateralized loan obligations (CLOs), the largest buyers of leveraged loans, suffered minimal losses relative to other fixed income asset classes during the GFC. From 1994 to 2013, S&P rated more than 6,000 US CLO tranches from more than 1,100 CLOs. As of year-end 2013, 65% were outstanding and rated; only 32 had defaulted or were rated CC. S&P's reported CLO tranche default rate over 20 years and multiple default cycles is 0.52%. Moody's rated more than 7,000 CLO tranches from 1993 to 2016, and only 53 tranches suffered principal impairments. CLO ten-year impairment rates compared with various RMBS products are markedly lower, as shown below.

CLO default rate by original rating (1994-2013)

Original rating	Total tranches	Defaulted tranches	Defaulted rate
AAA	1,992		0.00%
AA	10,005		0.00%
A	1,119	5	0.45%
BBB	1,069	5	0.47%
BB	841	19	2.26%
B	115	3	2.61%
Total	6,141	32	0.52%

Source: S&P; Wells Fargo Securities, November 2017

Ten-year impairment rates by original rating (1993-2016)

Moody's rating	US CLOs	US RMBS Alt-A / option ARM	US RMBS subprime	US RMBS non-agency jumbo
Aaa	0.0%	39.8%	8.4%	7.2%
Aa	0.0%	81.6%	38.4%	35.7%
A	0.2%	85.5%	69.7%	42.4%
Baa	3.0%	91.3%	89.0%	57.7%
Ba	5.1%	96.0%	93.7%	61.0%

Source: Wells Fargo; Moody's, November 2017

CLOs

A CLO or collateralized loan obligation raises proceeds to purchase loans by issuing floating rate debt rated AAA through BB (or single-B). The equity tranche has a claim on the net interest margin of the CLO and can be held by the manager or sold to third-party institutional investors, such as pension funds, sovereign wealth funds, money managers, or dedicated structured credit funds.

A typical CLO has a four- to five-year reinvestment period, after which the CLO debt is paid down sequentially in order of seniority. During this reinvestment period, the CLO manager reinvests any prepayment and engages in limited discretionary portfolio management.

CLOs are not mark-to-market vehicles; there are no triggers in a CLO that can cause forced selling or liquidation. Given this and the fact that they are long-term investing vehicles, CLOs generally provide a very stable buyer base for leveraged loans.

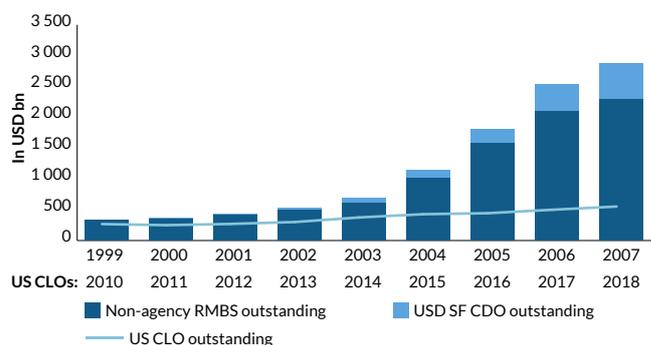
Buyer base

Finally, one fundamental and often misunderstood difference between today's leveraged loan market and the pre-crisis subprime mortgage market is the nature of the buyer base.

In the run-up to the GFC, US subprime mortgages had fueled the growth of a substantial subprime RMBS market; i.e. the banks providing mortgages were bundling thousands of them into a securitization. This was the buyer base for nearly all subprime RMBS. One of the main buyers of the riskier tranches in these RMBS securitizations comprised other securitizations, namely, collateralized debt obligations (CDOs). This was a way to further distribute, yet also magnify, the risk in those original RMBS securitizations. Additionally, these securitizations and re-securitizations were largely absorbed by investors, such as structured investment vehicles and, in particular, banks using wholesale short-term funding. When the short-term funding dried up, investors could no longer fund the huge amounts of securitizations they had purchased and consequently became forced sellers. Securitizations could no longer be created, and, because they could no longer bundle and sell mortgages, banks stopped lending altogether. Individual borrowers with weak credit profiles could no longer refinance their properties, and the fact they did not have the means to service their mortgages to begin with was manifested. In effect, the pyramid crumbled.

While it might be tempting to compare today's active CLO market to the pre-crisis CDO market described above, there are no grounds for comparison. There are no re-securitizations of CLOs to further distribute, and yet magnify risk, and the buyer base of CLOs is not reliant on whole-sale, short-term funding. As shown in the chart below, the US RMBS market and associated securitizations experienced far more rapid growth before the crisis than CLOs have over the last 10 years. Overall, the RMBS market was much larger and therefore posed much more of a systemic risk than the leveraged finance or CLO markets do today.

US CLO market vs. RMBS market



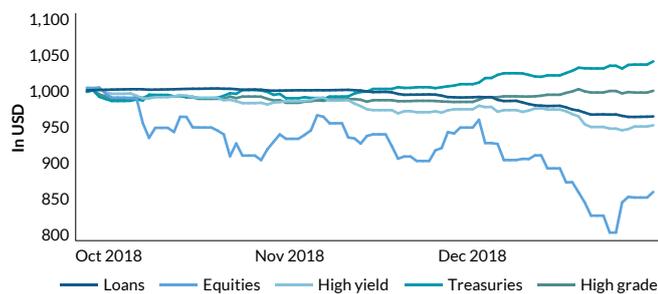
Source: Intex; SIFMA; Bank of America Merrill Lynch, July 2018

Section 4: what happened in the leveraged loan market in December 2018?

In December 2018, we saw the price of leveraged loans in the secondary market fall, on average, by around 5% and new-issue loan spreads increase by at least 1%. One interpretation is that these price falls indicate that market commentators are correct: the leveraged loan market is nearing a danger point, and investors have started to agree. However, the price falls could also have resulted from macro factors (e.g. trade wars, Brexit) and a much wider “risk-off” mentality.

The fourth quarter of 2018, particularly December, saw a significant increase in general market volatility and a marked sell-off in nearly all risk assets. This points to macro factors being the reason instead of more specific concerns around the leveraged loan market. Price falls in the leveraged loan market accelerated in December, but it would appear that this was driven mostly by retail investors’ redemptions in mutual funds and ETFs rather than changes in loan market fundamentals during the month.

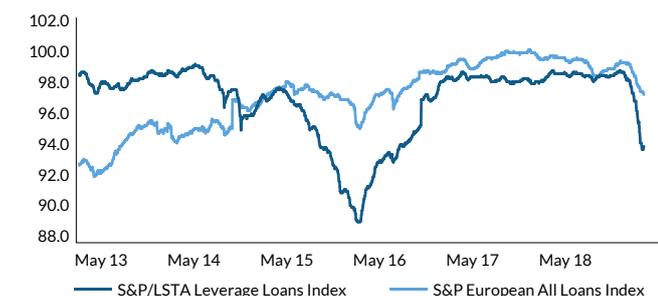
Risk-off across capital markets (growth of USD 1,000)



Source: LCD, December 2018

It is worth noting that the loan market in the US behaved quite differently from the loan market in Europe. Perhaps counterintuitively, in the US loan market, we saw higher-rated names fall in price by as much as, if not more, than lower-rated names. In order to understand these dynamics, we need to look more closely at the loan investor base.

S&P/LSTA vs. S&P ELLI average bid price

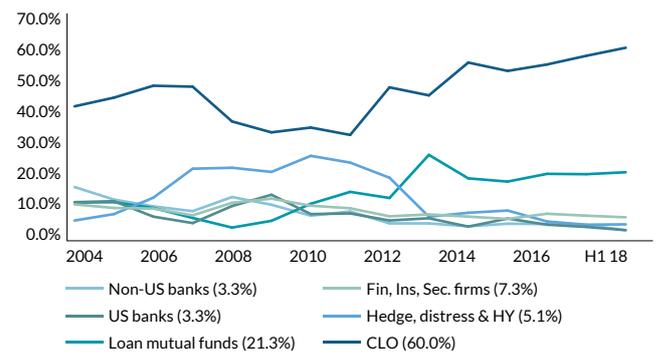


Source: LCD, December 2018

Over 80% of the investor base for US loans is made up of CLOs (around 60%) and mutual funds, including ETFs (around 20%). Europe’s investor base has a similar proportion of CLOs, but mutual funds and ETFs are replaced by credit funds and separately managed accounts (SMAs).

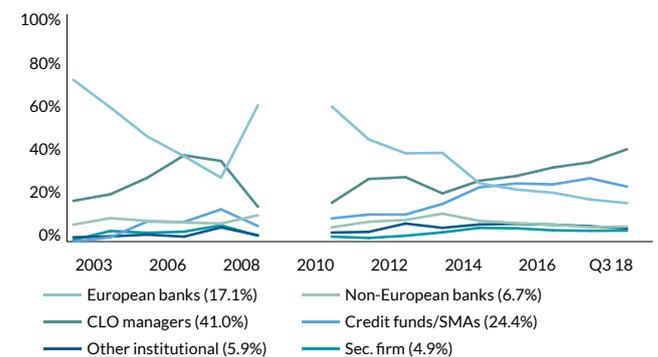
CLOs are longer-term investors not subject to liquidity constraints and thus provide significant stability of buying power in loan markets. However, mutual funds and ETFs are largely funds geared towards retail-type investors and offer those investors the ability to redeem their investments on a frequent – often daily – basis. By comparison, the European market equivalent of mutual funds, UCITS, largely prohibits loan investments, which means that the participation of retail investors in the European loan market is very limited. The credit funds and SMAs in the European market tend to be purely institutional money, which is typically longer-term in its investment focus.

US leveraged loan market investor base



Source: LCD; Bank of America Merrill Lynch, June 2018

European leveraged loan market investor base



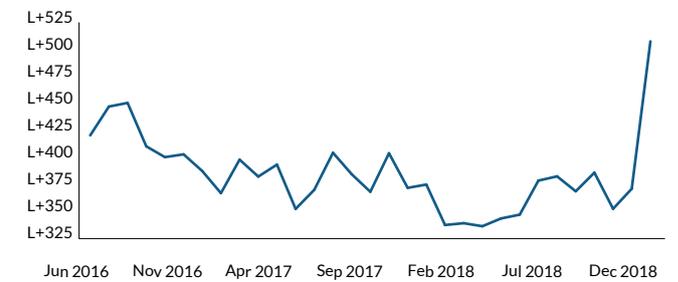
Source: LCD; Bank of America Merrill Lynch, June 2018

In December 2018, mutual funds and ETFs suffered significant redemptions as retail investors moved to cash in an effort to seek safety in the face of widespread market volatility, potentially with the view that interest rate rises in 2019 looked less likely, reducing the attractiveness of floating rate credit compared to fixed rate bonds.

At the same time, as we approached year-end, the formation of new CLOs slowed as CLO AAA investors in particular took a more cautious approach, resulting in the arbitrage for new CLOs becoming less certain. While existing CLOs still had demand to buy loans, the demand was more limited than usual. Consequently, the outflows from mutual funds and ETFs led to some significant price falls in the loan market. In meeting their redemptions, mutual funds and ETFs tend to sell the larger, more liquid loans that are often more highly rated. As a result, riskier B-rated loans marginally outperformed on a relative basis compared with BB-rated loans during the market sell-off. Meanwhile, in Europe, the lack of “faster” money in the market led to a greater degree of price stability. Thus, we saw the European leveraged loan market materially outperform its US counterpart in December.

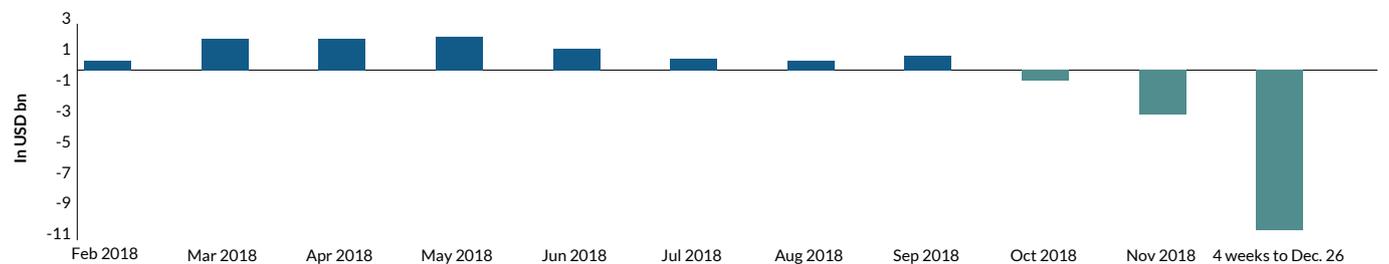
The falling prices of loans in the secondary market fed through to the new-issue leveraged loan market in December. Pricing on new-issue loans for B/B+-rated borrowers reached over L+500, which was the highest point since July 2012. An examination of pricing flexes reveals that nearly all US leveraged loan transactions had pricing flexed wider. The trend for weaker documentation also reversed, and investors in the new-issue leveraged loan market were able to negotiate better terms as arranging banks looked to syndicate loans prior to year-end in a difficult market environment. In summary, December allowed investors to purchase new-issue loans with significantly higher returns and with better documentation and to purchase existing loans in the secondary market at discounted prices. During that time, credit fundamentals did not change.

New issue TLB spread of B/B+ borrowers



Source: LCD, December 2018

US prime-fund flows (weekly reporters only)



Source: LCD; Lipper, December 2018

Conclusion and outlook for 2019

Based on our analysis of the market, we conclude that the leveraged loan market of 2018 cannot feasibly be compared with the subprime mortgage market of 2008. Although there has clearly been a weakening of loan terms alongside a gradual increase in leverage levels, the growth of the leveraged loan market appears to be in line with recent growth in other credit markets. Furthermore, credit fundamentals generally remain strong.

Looking at the increased volatility in the fourth quarter of 2018 leaves us with the view that 2019 will be a year where, notwithstanding an early rally in January, we will see more bouts of volatility. We also anticipate that when the tide rises, it will no longer “float all boats” in the credit world as it has done in recent years.

At Partners Group, we see this increase in volatility more as an opportunity than a threat. It may allow us to purchase good-quality corporate loans at discounted prices in the secondary market and is likely to lead to a more attractive pricing of risk in the new-issue leveraged loan and private debt markets. It could shake out some of the recent “excesses,” such as very weak documentation, and could even lead to smaller and newer players exiting the market.

Overall, it means that we can focus on doing what we always do with our value-based investment approach: investing flexibly in the leveraged loan and private debt markets where we see the best relative value across capital structures, industries, and geographies in order to generate attractive returns for our investors. We believe that this approach, combined with fundamental credit due diligence using our private equity owner mindset and highly disciplined portfolio management, provides the ingredients for success in the leveraged loan and private debt markets in 2019 and beyond.

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