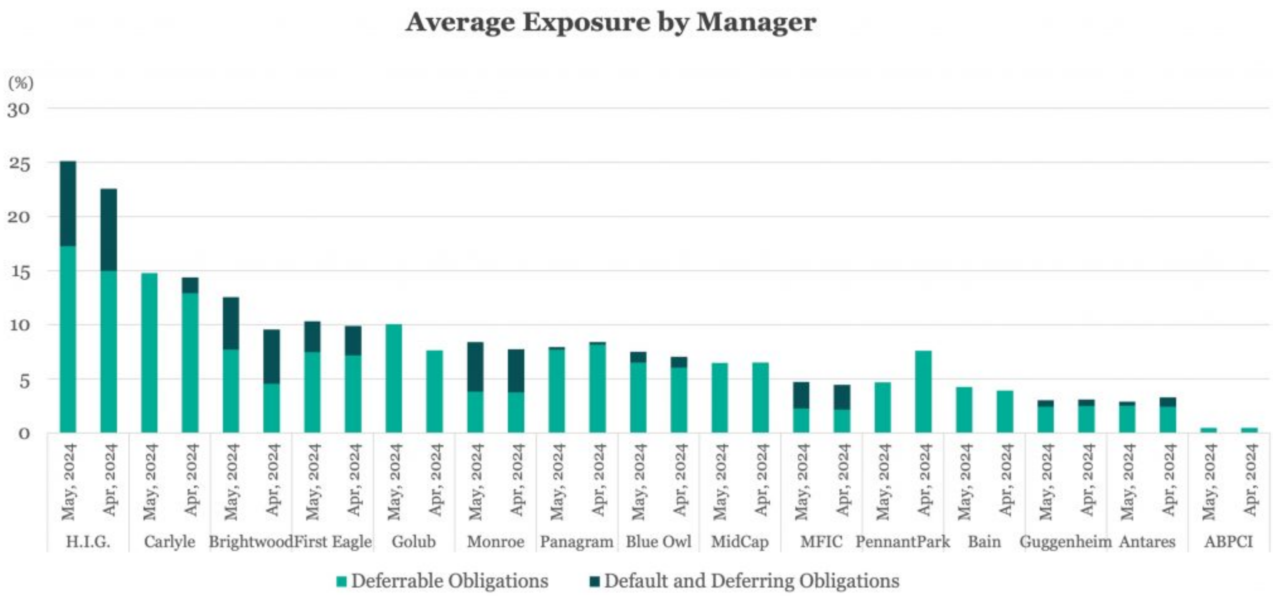
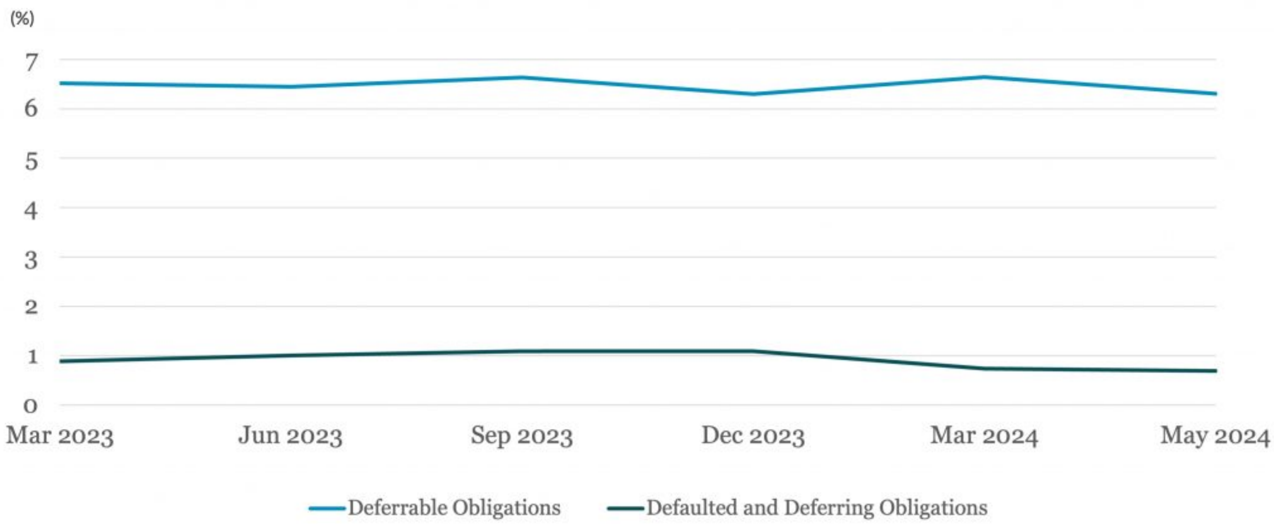
Fitch U.S. MM CLO Spotlight – May 2024

Fitch Ratings | June 26, 2024



Note: Defaults are Fitch-identified and may differ from CLO reporting based on more recent information. Deferring refers to issuers that are currently PIK-ing the entire coupon payment due. Issuers with Fitch IDRs or credit opinions of 'CC' or below are included in the defaulted and deferring data. Deferrable includes issuers that are allowed to defer interest and issuers that are paying part of their interest due in cash while deferring the rest of the interest due. The denominator includes principal cash and full par for defaulted notional. Managers without any deferrable, default or deferring obligations are excluded from the chart.
Source: Fitch Ratings

Average Historical Exposure Across MM CLOs



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Defaults and Deferring Exposure Flat

Twenty-five CLOs had exposure to at least one defaulted or deferring issuer at the end of May 2024. Average defaulted and deferring exposure across middle market (MM) CLOs remained at 0.7%. There were no new defaulted or deferring issuers in May, while two prior defaults were upgraded post DDE, one was sold and one emerged from bankruptcy.

Deferrable Obligations Contained

Exposure to deferrable and permitted deferrable obligations, which include issuers that are allowed to defer interest and those paying part of their interest due in cash while deferring the rest, reduced slightly by 10 basis points (bps) on average compared to the prior month. Five new deferrable issuers were offset by seven issuers that were no longer reported as deferrable or sold at 81 to 100.