



## Octagon triumphs at Creditflux Manager Awards 2018

by Sayed Kadiri

**A** packed house at London's Landmark Hotel on 9 May saw Octagon triumph at the Creditflux Manager Awards, picking up the coveted Best US CLO award.

The Creditflux Manager Awards have become a highlight of the year for many in the credit industry thanks to a robust methodology based solely on quantitative performance metrics (more details of the methodology are below), and a gala dinner full of drama as the winners were announced. This year was no different with some surprise winners as well as old favourites triumphing.

The market has seen many changes since the first Creditflux Awards were held in 2007, but investors are still looking for managers to not only deliver excellent returns, but to do so with appropriate levels of risk and liquidity, and Creditflux is still handing out Awards on the same basis.

Other winners included CSAM, named as Creditflux manager of the year for a second time, as well as Best European CLO Manager and Best US CLO Redeemed in 2017. London's Spire Partners and New Jersey-based Zais Group were also big winners, taking home multiple awards.



Francis McCullough (Deutsche Bank), Gretchen Lam

Best US CLO

### Octagon Investment Partners XXIII Octagon Credit Investors

*Finalists*

Madison Park Funding XIX (CSAM)  
Sound Point CLO VI (Sound Point Capital Mgt)  
THL Credit Wind River 2015-1 (THL Credit Advisors)

*Methodology*

Blended outperformance

*Eligibility*

CLOs with mainly US collateral that are within reinvestment and listed in CLO-i.

### Awards methodology

#### Blended outperformance

Our ranking of each CLO relative to its peers by six performance metrics rewards the managers which have achieved 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.

#### Final IRR

Equity IRR is based on the notional size of the CLO equity (including all payments received by 28 February 2018).

#### Volatility-adjusted weighted performance

This measure combines absolute change in mark-to-market net asset value during 2017 and volatility relevant to each fund's redemption profile. For example, funds that promise liquidity need to deliver stable returns.

#### Leverage-adjusted IRR

This measure looks at IRR net of fees to 31 December 2017, assuming that there has been no fund-level leverage. It is adjusted for the average debt-to-ebitda leverage at investment inception of borrowers in the portfolio.