CIS takes CLO fund prize at Manager Awards

Upstart CLO managers overtook more experienced rivals at last year's Creditflux Manager Awards, but this time around shared the prizes with large and experienced champions like CSAM and PGIM.

by Tom Davidson

CIS Asset Management won the best CLO fund category as the Creditflux Manager Awards returned in person to London's Landmark Hotel on 8 September.

This category looked at volatility-adjusted weighted perfor-mance of funds that invest predominantly in CLOs and were launched before Q2 2020. CIS's CLO Alpha Taunus fund fought off stiff competition from Flat Rock, Lupus Alpha and Napier Park in a hotly contested category. CIS, based in Germany, is a dedicated CLO investor founded in 2007. Over 250 members of the CLO market attended the awards dinner and saw winners from all corners of the CLO market recognised. From over 112 managers who submitted, 18 won across 20 categories.

Pictured: Paavo Bartsch

Best CLO fund

CIS

CLO Alpha Taunus

Finalists

Flat Rock Opportunity (Flat Rock) Lupus Alpha CLO Opportunity Notes I (Lupus Alpha) Napier Park Eton (Napier Park)

Methodology

Volatility-adjusted weighted performance

Eligibility

Funds that invest predominantly in CLOs, which are present in Creditflux's monthly performance listings and were launched before Q2 2020

Awards methodology

Blended outperformance

The average ranking of each CLO relative to its peers by up to ten performance metrics.

This rewards managers that achieve high returns without compromising the quality of the portfo-lio. Metrics are: change in junior OC; headroom in junior OC, warf; average collateral value; % of assets marked below 90,

weighted average spread; cash-on-cash return to equity; and equity volatil ity. In addition, day-one arbitrage is considered for new CLOs.

Volatility-adjusted weighted performance

A measure that combines absolute change in mark-to-market net asset value during 2020 and 2021 Q1 and volatility relevant to each fund's redemption profile. Funds that promise liquidity need to deliver stable returns; those that lock up investors' capital need to achieve greater absolute performance.

Leverage-adjusted IRR

IRR net of fees to 31 March 2021, taking into account the amount of capital raised and deployed, and adjusted for the average debt-to-ebitda leverage at inception of borrowers in the portfolio.

Final IRR

Equity IRR based on the notional size of the CLO equity and taking into account all payments received by the end of Q1 2021.