

# Voya Leveraged Credit Group – Senior Loan Talking Points

## Weekly Notables

The loan market continued to experience a firmer tone, as the Morningstar® LSTA® US Leveraged Loan Index (Index) returned 0.39% for the seven-day period ended May 9. The average bid price gained 25 bp, finishing out the week at 96.88.

The primary market was busy as issuers continued to refinance their debt as well as a handful of LBO-related deals launching during the week. In the forward calendar, net of the anticipated \$14.9 billion of repayments not associated with the forward pipeline, the amount of new supply projected to enter the market is about \$8.1 billion, versus \$327 million last week.

Trading levels in the secondary market moved higher across the board. For the week, Double-Bs, Single-Bs and CCCs returned 0.31%, 0.44% and 0.28%, respectively.

Turning to the investor demand front, seven new CLO deals priced during the week, bringing the YTD volume to \$70.1 billion. For the week ended May 8, retail loan funds saw the largest weekly inflow (since April 2022) of \$1.24 billion (Morningstar Direct).

There were no defaults in the Index this week.



**Mohamed Basma, CFA**  
Head of  
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Credit

### Average Bid

May 1, 2020 to May 9, 2024



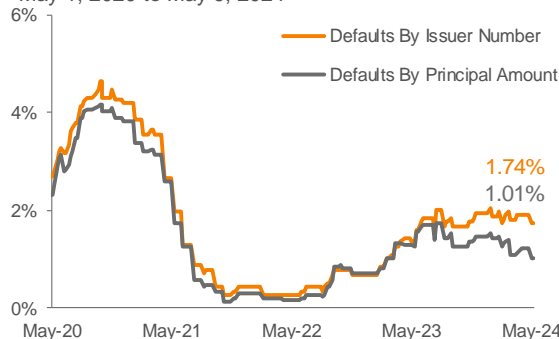
### Average 3-YR Call Secondary Spreads<sup>1,2</sup>

May 1, 2020 to May 3, 2024



### Lagging 12 Month Default Rate<sup>3</sup>

May 1, 2020 to May 9, 2024



#### Morningstar® LSTA® US Leveraged Loan Index Stats

	Weighted Avg Spread*	Weighted Avg Price	MTD Total Return	MTD Price Return	YTD Total Return	YTD Price Return
Index	3.62%	96.88	0.43%	0.20%	3.52%	0.16%
BB Loans	2.86%	99.67	0.33%	0.13%	3.00%	0.00%
B Loans	3.90%	98.60	0.50%	0.27%	3.74%	0.31%
CCC Loans	4.86%	82.05	0.30%	0.00%	4.77%	0.26%

Source: Pitchbook Data, Inc./LCD, Morningstar® LSTA® Leveraged Loan Index. Additional footnotes and disclosures on back page. **Past performance is no guarantee of future results. Investors cannot invest directly in the Index.** \*The Index's average nominal spread calculation includes the benefit of base rate floors (where applicable).

Unless otherwise noted, the source for all data in this report is Pitchbook Data, Inc/LCD. Pitchbook Data/LCD does not make any representations or warranties as to the completeness, accuracy or sufficiency of the data in this report.

<sup>1</sup> Assumes 3 Year Maturity. Three-year maturity assumption: (i) all loans pay off at par in 3 years, (ii) discount from par is amortized evenly over the 3 years as additional spread, and (iii) no other principal payments during the 3 years. Discounted spread is calculated based upon the current bid price, not on par. Please note that Index yield data is only available on a lagging basis, thus the data demonstrated is as of May 3, 2024.

<sup>2</sup> Excludes facilities that are currently in default.

<sup>3</sup> Issuer default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period. Principal default rate is calculated as the amount defaulted over the last twelve months divided by the amount outstanding at the beginning of the twelve-month period.

**General Risks for Floating Rate Senior Loans:** Floating rate senior loans involve certain risks. Below investment grade assets carry a higher than normal risk that borrowers may default in the timely payment of principal and interest on their loans, which would likely cause the value of the investment to decrease. Changes in short-term market interest rates will directly affect the yield on investments in floating rate senior loans. If such rates fall, the investment's yield will also fall. If interest rate spreads on loans decline in general, the yield on such loans will fall and the value of such loans may decrease. When short-term market interest rates rise, because of the lag between changes in such short-term rates and the resetting of the floating rates on senior loans, the impact of rising rates will be delayed to the extent of such lag. Because of the limited secondary market for floating rate senior loans, the ability to sell these loans in a timely fashion and/or at a favorable price may be limited. An increase or decrease in the demand for loans may adversely affect the loans.

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**Past performance is no guarantee of future results.**

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