

Flat Rock completes hat-trick of CLO funds taking top spot

by Robin Armitage edge funds that invest in CLO tranches are the top performers in our database for a third month in a row.

Flat Rock Opportunity Fund gained 3.7% in May to follow April leader

Opportunities Fund IV (managed by Crystal Funds) and CLO Alpha Compartment Taurus (CIS Asset Management), which topped the tables in March.

CLO funds occupy seven spots in our top 10 and the dominant run coincides with a period where debt spreads have slowly widened. The

outlook for the market is bright with numerous investors picking new issue CLO equity tranches as their favourite trade.

CLO funds are up 8.45% this year, according to our database.

BK

Leading fund

Flat Rock Opportunity Fund

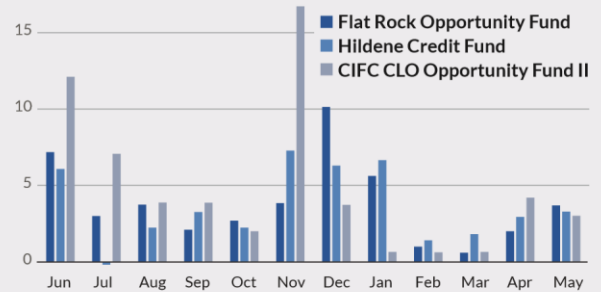
New York-headquartered Flat Rock Global held first place in May as Flat Rock Opportunity Fund returned 3.70%. The fund, launched in July 2018 as an interval fund, now sits at 13.53% year-to-date and 13.59% annualised returns since inception.

Shiloh Bates, managing director at Flat Rock, says: "Our loan investments performed well and we saw one material right up in a lower dollar priced investment during the month." The fund's investment strategy focuses primarily on the equity and, to a lesser extent, junior debt tranches of cashflow CLOs.

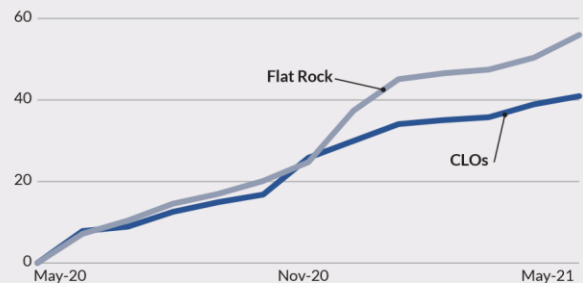
Flat Rock Opportunity Fund is also the most recent winner of the Creditflux 'Best CLO Fund' award. The fund was rewarded after it returned 13.21% cumulatively in 2019, only dropping into the negative once that year.

	Flat Rock Opportunity Fund	iShares LQD \$ Investment Grade Corporate Bond ETF	SPDR S&P 500 ETF
May returns	3.70%	1.78%	1.77%
12 month	13.53%	-1.14%	15.51%
Average returns*	1.16%	0.44%	1.35%
Monthly std deviation*	4.28%	2.20%	5.43%
Correlation to fund*	-	50.65%	3.38%

Top credit funds in May (%)



Flat Rock Opportunity Fund vs CLOs cumulative returns (%)



Top 10 credit hedge funds in May

Fund name	Manager	Category	Share class	Currency	May	YTD	Annualised		Launch	Redemption	AUM	months
							Last 12 return since inception date	min/max (days)				
Flat Rock Opportunity Fund	Flat Rock	CLOs	N/A	USD	3.70%	13.53%	55.98%	13.59%	Jul-2018	90/90	<0.1	
Hildene Credit Fund	Hildene	CLOs	-	USD	3.29%**	17.12%	52.66%	52.29%	May-2020	90/90	<0.1	
CIFIC CLO Opportunity Fund II	CIFIC	CLOs	Master	USD	3.02%	9.46%	75.14%	10.72%	Mar-2017	Mar-25	<0.5	
Vibrant Ambar Fund	Vibrant	CLOs	B	USD	2.50%	10.56%	32.95%	32.95%	Jun-2020	0/0	<0.5	
BK Opportunities Fund VI	Crystal	CLOs	USD	USD	2.23%	20.63%	45.78%	1.42%	May-2019	90/180	<0.5	
Vibrant Sente Fund	Vibrant	CLOs	A	USD	2.20%**	9.34%	41.79%	4.90%	Apr-2014	0/0	<1.0	
Millstreet Credit Fund	Millstreet	corporate longshort	M	USD	2.14%	12.04%	31.90%	12.48%	May-2010	45/135	<0.5	
Serone European Special Situations Fund	Serone	corporate distressed	N/A	EUR	2.14%	17.39%	49.90%	42.15%	Mar-2020	90/360	<0.1	
III Credit Opportunities Fund	III	structured finance	Seed	USD	2.12%**	11.31%	55.79%	10.46%	Apr-2010	30/30	<0.5	

BK Opportunities Fund V	Crystal	CLOs	USD	USD	2.11%	10.05%	46.97%	9.62%	Jul-2018	90/180	<0.5
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***Estimates*

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For more information and important disclosures regarding Flat Rock Opportunity Fund, please visit our website here: <https://flatrockglobal.com/flat-rock-opportunity-fund-update/>