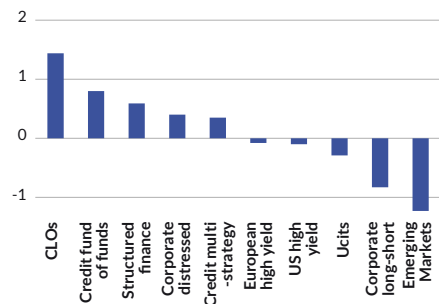


Fund performance

Groundhog Day as 2021 leaders start strong

Creditflux index returns January (%)



CLO funds once again claim the most top performing spots as seven out of 10 funds belong to the category. This continues their strong run in 2021 where the category achieved 14.84% according to *Creditflux* indices.

In a re-run of last year, two of the funds leading in 2022 are Wasserstein Debt Opportunities Fund and Lupus Alpha CLO Opportunity Notes II, which made 2.00% and 2.37% respectively in January. These funds gained 52.95% and 36.30% respectively last year.

Overall, January fund performance was positive, as 56% of funds reached a positive return. However, this is down 20% on positive returns seen in December. And January gains were muted as only 19% of funds pushed above the 1% mark.

Ayaltis and Altum both entered the top 10 representing the credit funds of funds and structured finance categories, achieving 2.25% and 1.96% respectively.

Leading fund

Flat Rock Opportunity Fund

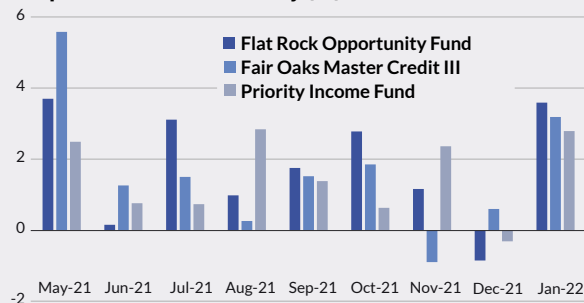
New York-based Flat Rock Global took the top spot in January as its Flat Rock Opportunity Fund made 3.74%. This took the fund's last 12-month figure to 21.92% and annualised returns since inception to 14.90%.

The fund's investment strategy primarily focuses on the equity and junior debt tranches of US cashflow CLOs, with a preference for mid-market CLOs.

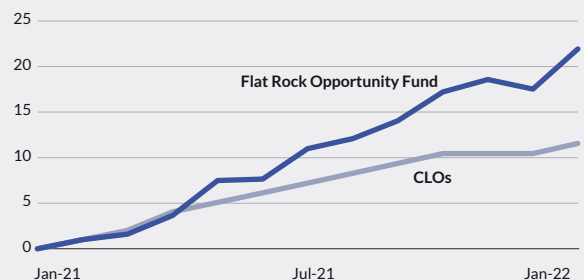
Shiloh Bates, managing director at Flat Rock, says: "The fund continued to benefit from a low default rate on the underlying loans in our CLOs and an open market to reset and refi our existing positions."

The fund came ninth in our credit hedge fund table for 2021, as it posted 24.14% returns and was previously a winner of the *Creditflux* Best CLO Fund Award for its returns in 2019, and a finalist the following year.

Top credit funds in January (%)



Flat Rock Opportunity Fund vs CLOs cumulative returns (%)



	Flat Rock Opportunity Fund	iShares LQD \$ Investment Grade Corporate Bond ETF	SPDR SPY S&P 500 ETF
December returns	3.74%	-3.19%	-3.49%
Last 12 months	21.92%	-6.50%	14.16%
Average returns*	1.24%	0.18%	1.15%
Monthly std deviation*	3.91%	2.18%	5.25%
Correlation to fund*	-	-23.16%	-22.59%

*Data since fund inception (July-18)

Top 10 credit hedge funds in January

Fund name	Manager	Category	Share class	Currency	January	12 months	Annualised return since inception	Launch date	Redemption min/max (days)	AUM (\$bn)
Flat Rock Opportunity Fund	Flat Rock	CLOs	N/A	USD	3.74%	21.92%	14.90%	Jul-2018	90/90	<0.1
Fair Oaks Master Credit III	Fair Oaks	CLOs	N/A	USD	3.32%	-	21.75%	Apr-2021	Jun-23	<0.5
Priority Income Fund	Prospect	CLOs	N/A	USD	2.91%	21.59%	8.72%	Jan-2014	90/90	<1.0
CIFC CLO Opportunity Fund II	CIFC	CLOs	Master	USD	2.48%	18.19%	11.07%	Mar-2017	Mar-25	<0.5
Lupus Alpha CLO Opportunity Notes II	Lupus Alpha	CLOs	N/A	EUR	2.37%	24.82%	10.79%	Aug-2013	90/90	<0.1
Areca Value Discovery Fund	Ayaltis	credit funds of funds	B	USD	2.25%**	10.76%	5.97%	Dec-2008	45/135	<0.5
Wasserstein Debt Opportunities Fund	Wasserstein	US high yield	Founders	USD	2.00%	28.22%	12.59%	May-2013	60/120	<0.5
Lupus Alpha CLO Opportunity Notes I	Lupus Alpha	CLOs	N/A	EUR	1.97%	15.82%	15.49%	Sep-2012	90/90	<0.1
Altum Credit Master Fund	Altum	structured finance	Master	USD	1.96%	12.75%	13.05%	Jul-2009	45/135	<1.0
Capital Four Structured Credit Opps Fund	Capital Four	CLOs	A	EUR	1.94%	11.13%	21.50%	May-2020	90/180	<0.1

**Estimates