



AGL again becomes largest US CLO issuer by volume since pandemic sell-off

| AGL Deal | | | | | | |
|----------|---------|----------|--------|----------|--------------|--------------|
| Deal | Manager | Arranger | Type | Size | Non-call | Reinvestment |
| AGL 7 | AGL | Barclays | US new | \$501.8m | 15 July 2021 | 15 July 2023 |

by Hugh Minch

AGL Credit Management has cemented its position at the top of the 2020 US CLO new issue league tables for the second time in as many weeks, overtaking Redding Ridge Asset Management after pricing AGL CLO 7 on Monday, according to market sources. The transaction adds \$501.8 million to the manager's volumes, which stand at \$2.6 billion for this year alone.

The deal also makes AGL the largest CLO issuer by volume since the March sell-off triggered by the coronavirus pandemic, with \$1.99 billion. Redding Ridge has priced \$2.02 billion in 2020 and \$1.52 billion since the primary market reopened in April.

AGL 7 was arranged by Barclays, and issues senior and junior triple A debt tranches which pay 180 basis points and 205bp

over Libor, respectively. While the combined spread of 181.56bp is 6.88bp wide of the 10-day rolling average, it is 13.73bp tight of AGL 6, which priced just three weeks ago.

Down the stack, all the mezz tranches - including the junior triple As - priced at identical spreads as AGL 6. That said, many of the subordination levels (including the junior triple A, double A, single A and double B) are lower for AGL 7 than for the prior transaction.

AGL's pace of issuance has been meteoric. The firm was only formed in March 2019 and began printing CLOs in October. The scale of new CLOs coming from the platform is reminiscent of another firm, CBAM, which in its first year of issuance priced \$5.14 billion and topped Creditflux's 2017 league tables.

| AGL CLO 7 | | | | | | |
|-----------|------------|------------|-------------|-----|---------------|-----|
| Tranche | Size (\$m) | Rating (S) | Par sub (%) | | Coupon (L+bp) | |
| A1 | 300 | AAA/AAA | 40 | 180 | 180 | 195 |
| A2 | 20 | -/AAA | 36 | 205 | 205 | 205 |
| B | 60 | AA/- | 24 | 240 | 240 | 240 |
| C | 275 | A/- | 18.5 | 295 | 295 | 240 |
| D | 275 | BBB-/- | 13 | 440 | 440 | 295 |
| E | 17 | BB-/- | 9.6 | 748 | 800 | 440 |
| Sub | 49.8 | NR | | 748 | 97 | 800 |
| | 41.88 | NR | | | | |