Monthly Letter September 2025

BANKLOANS

Volume[1]		Change	
	(US$ billion)	(US$ billion)	(%)
Sep-2025	122	-9	-7%
Sep-2024	131		
2025 (YTD)	842	-114	-12%
2024 (YTD)	956		
2025 (12M)	1228	+174	+17%
2024 (12M)	1054		

Important transactions		
Global Medical Response	Recapitalization	B2/B
$ 3,6 billion	Service	S+350
TransDigm	Refinancing	Ba3/BB-
$ 3,553 billion	Industrial	S+225

CLO (issuance volume)		Change	
	(US$ billion)	(US$ billion)	(%)
Sep-2025	7,2	-2,3	-25%
Sep-2024	9,5		
2025 (YTD)	114,5	+7,0	+6%
2024 (YTD)	107,6		

Capital Inflow/Outflow (Retail Investment Fund)		Change	
	(US$ billion)	(US$ billion)	(%)
Sep-2025	-0,9	-0,8	N/A
Sep-2024	-0,1		
2025 (YTD)	-0,5	-9,4	N/A
2024 (YTD)	8,9		

Highlights

September has historically been a very active month, notably due to the return from summer holidays. It also marks a key period for mergers and acquisitions (M&A) transactions, which are often prepared during the second quarter. The bankruptcy of First Brands raised significant concerns during the month, despite some early warning signs. The month began with a wave of refinancings, which later slowed as M&A activity came to market. In September 2025, refinancing transactions maintained their dominant position, accounting for 62% of monthly deals. M&A activity reached its highest level in twelve months, while dividend-related transactions continued their momentum, ranking as the third-largest category of activity.

CLO (Collateralized Loan Obligation) issuance hit its lowest level of the year, despite a recovery in new bank loan issuance. The rapid wave of refinancings observed earlier in the summer weighed on funding for these structures, though a rebound is expected in the final quarter. On the retail investor side, there was a slight outflow of capital, bringing the year-to-date balance into negative territory.

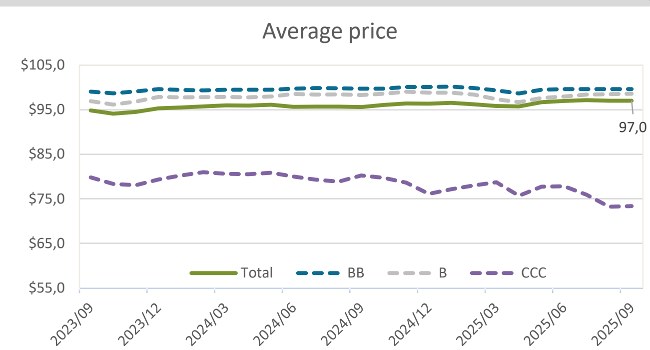
Performance[2]	1 mth	3 mths	2025 to date	12 mths		3-Y. Yield[4]
J.P. Morgan Leveraged Loan Index[2]	0,3%	1,3%	0,1%	5,8%		7,3%

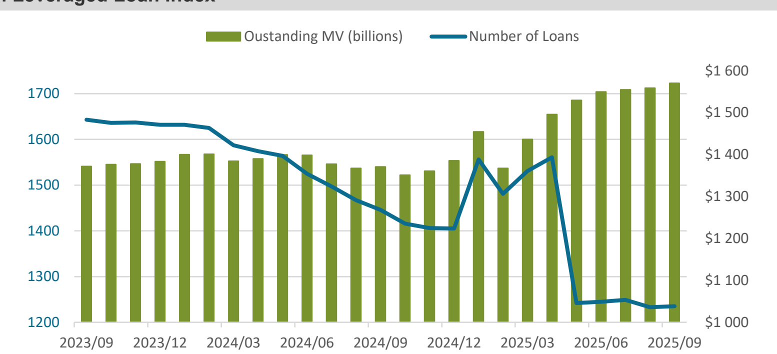
Industry[2]	1 mth	3 mths	2025 to date	12 mths	Weight	3-Y. Yield
Automotive	-4,3%	-0,9%			2,8%	7,3%
Broadcasting	1,1%	8,0%			0,9%	10,3%
Cable & Satellite	0,5%	5,3%			2,4%	7,7%
Chemicals	0,5%	1,8%			3,4%	8,1%
Consumer Products	0,5%	3,7%			2,2%	8,0%
Diversified Media	1,0%	3,8%			3,9%	8,1%
Energy	0,7%	2,8%			2,6%	6,6%
Financial	0,3%	3,3%			9,1%	6,1%
Food & Beverage	0,3%	3,0%			4,4%	6,9%
Gaming / Lodging / Leisure	0,6%	3,5%			5,4%	6,3%
Healthcare	0,4%	3,4%			11,2%	7,6%
Housing	0,7%	6,2%			3,6%	6,9%
Industrial	0,5%	3,4%			7,0%	6,5%
Metals & Mining	0,5%	4,6%			0,5%	6,0%
Paper & packaging	0,7%	3,6%			3,2%	7,1%
Retail	0,8%	3,6%			2,6%	7,5%
Service	0,3%	2,9%			12,0%	7,2%
Technology	0,4%	2,8%			15,5%	8,3%
Telecommunications	0,3%	3,2%			1,9%	8,8%
Transportation	0,5%	4,1%			2,5%	6,1%
Utility	0,5%	3,5%			2,8%	5,8%

Credit Rating[2]	1 mth	3 mths	2025 to date	12 mths	Weight	3-Y. Yield
BBB (split)	0,4%	1,1%	0,7%	5,2%	5,4%	4,8%
BB	0,4%	1,2%	0,5%	5,7%	21,6%	5,5%
BB (split)	0,4%	1,4%	0,0%	5,7%	3,8%	6,2%
B	0,3%	1,5%	-0,2%	6,3%	60,8%	7,0%
B (split)	-0,4%	-1,2%	-3,9%	-2,5%	5,2%	19,0%
Other (below CCC/non-rated)					3,3%	
Bank Loans Quality Index[3]	**0,2%**	**0,9%**	**3,2%**	**5,2%**		**5,3%**

Note:
The data provider changed in April 2025, which prevents the reconciliation of performance by industry.

J.P. Morgan Leveraged Loan Index[2]





[1] Source : CreditSights

[2] Before April 1st, 2025: Global Credit Suisse Index (CAD Hedged) - Data by Credit Suisse Fixed Income Research
Since April 1st, 2025: J.P. Morgan Leveraged Loan Index (CAD Hedged) - Data by J.P. Morgan Securities LLC

[3] Before April 1st, 2025: 5% T-bills (91 days) / 76% Credit Suisse BB ex Energy, Metals & Minerals / 19% Credit Suisse B+ ex Energy, Metals & Minerals (CAD Hedged)
Since April 1st, 2025: 5% T-bills (91 days) / 76% J.P. Morgan Leveraged Loan BB ex Energy, Metals & Mining / 19% J.P. Morgan Leveraged Loan B+ ex Energy, Metals & Mining (CAD Hedged)

[4] Yield 3-year life (or less depending on maturity), floating rates swapped to fixed rates and hedged in CAD

1800 McGill College Ave. | Suite 2420 | Montreal (QC) | H3A 3J6 514-861-3493 www.alphafixe.com s.corriveau@alphafixe.com