



Chenavari secures "historically low" funding costs as it prices new euro CLO

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Chenavari Investment Managers has announced the pricing of its third European CLO 2.0, Toro European CLO 3. The €365 million deal was arranged by Barclays, marking the first time the two firms have worked together on a CLO.

According to the press release, Toro 3's tripleA, doubleA and singleA notes all priced at par, with the senior notes paying 96 basis points over Euribor. Chenavari says that the deal achieved a "historically low" cost of financing, with weighted average cost of capital of 190bp over Euribor.

All of the deal's debt tranches, with the exception of the class B2 and C2 notes, were issued with Euribor floors of zero. The B2 and C2 notes, meanwhile, will be unfloored during the noncall period.

Chenavari's new CLO will comply with European risk retention rules via the originator route. Chenavari's originator structure, named Taurus, will retain the required 5% economic interest in the form of subordinated notes. The deal is due to close on 12 April.

Toro European CLO 3

Tranche	Size (€m)	Ratings (Moody's/Fitch)	Coupon (E+bp)	DM	Price
A	211.50	Aaa/AAA	96	96	100.00
B1	24.50	Aa2/AA	165	165	100.00
B2	7.50	Aa2/AA	184		100.00
B3	12.50	Aa2/AA	fixed 2.25%		100.00
C1	13.75	A2/A	235	235	100.00
C2	4.75	A2/A	254		100.00
D	17.50	Baa2/BBB	332	332	98.00
E	23.00	Ba2/BB	560	560	93.94
F	9.75	B2/B-	765	765	91.43
SUB	40.60				