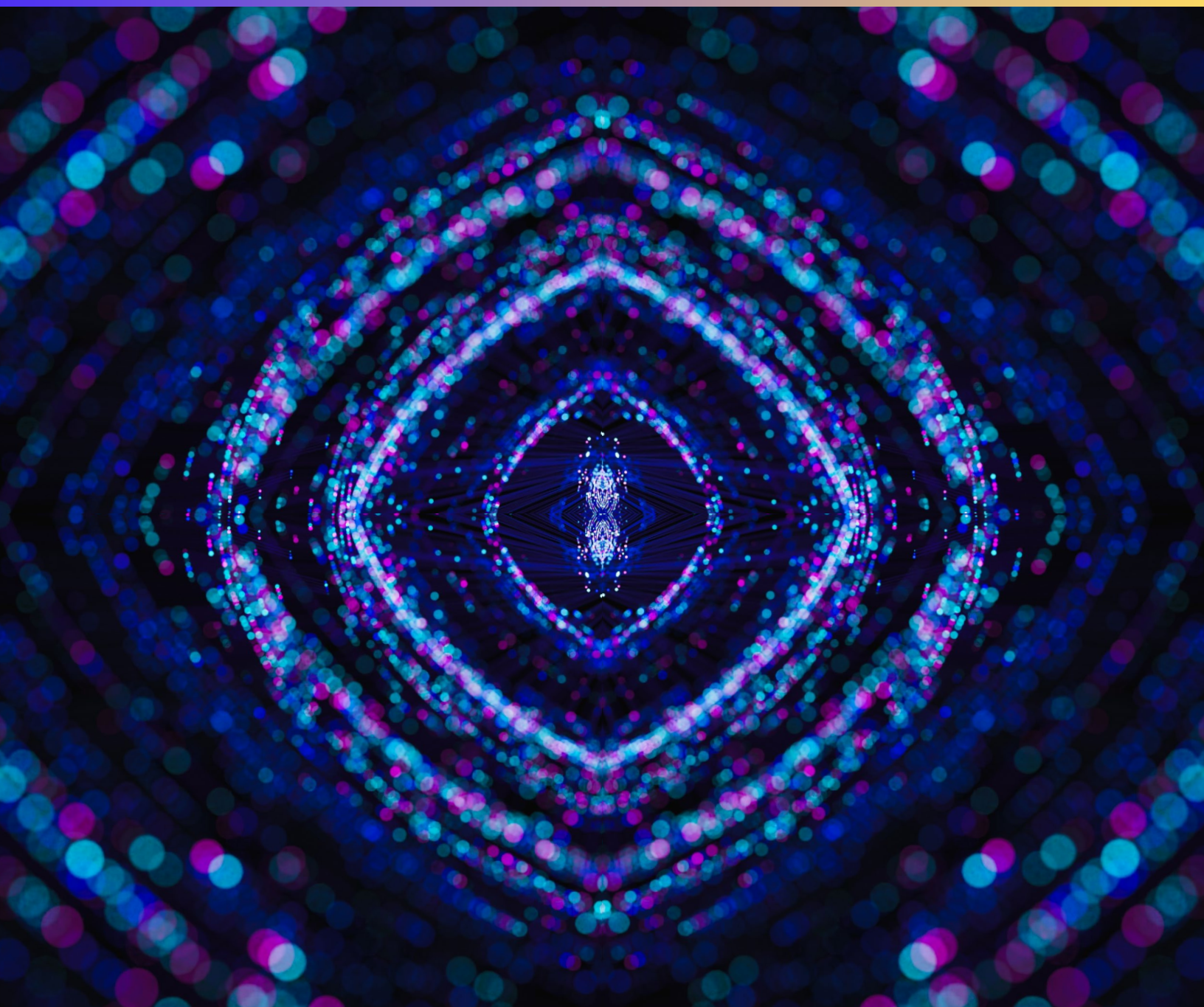


Diligence, data, differentiation

The CLO market's growth, evolution and what you need to know
to stay ahead



Introduction

In the United States alone, new CLO issuance skyrocketed with just under \$300 billion pricing since the start of 2024.¹ Octus Global CLO AUM Manager Rankings cite just over 160 managers, with over \$1.4 trillion in total AUM.²

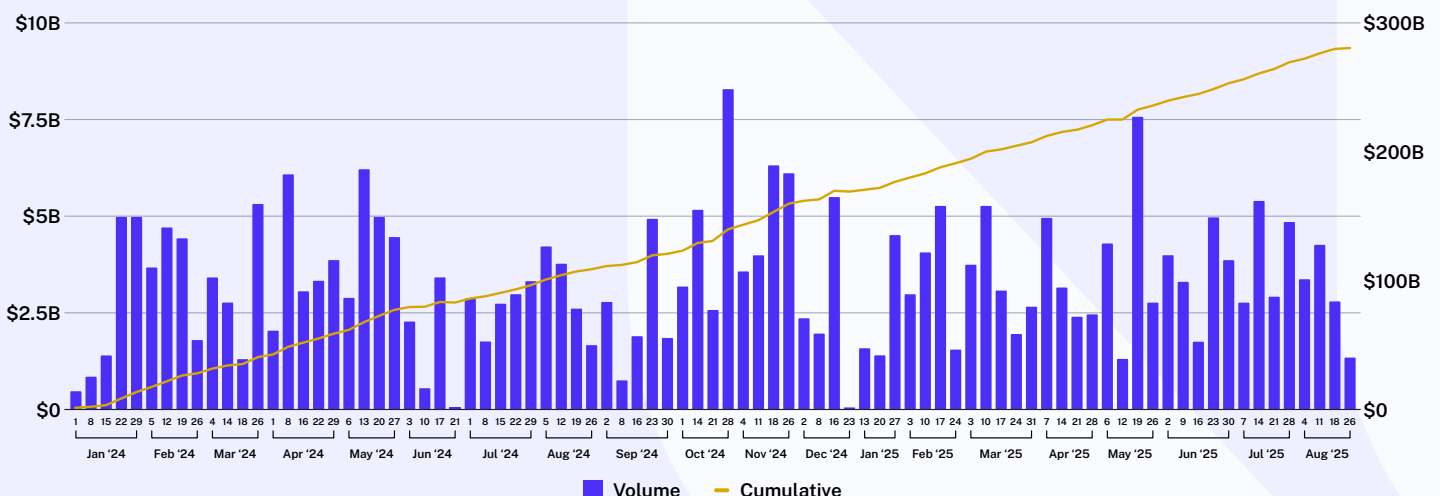
This growth isn't just reflected in AUM or issuance, but also in the dynamic ways the CLO market has integrated with other spaces within credit. In 2025 alone, it was reported that Goldman Sachs, in collaboration with the IFC, was preparing a first-of-its-kind emerging market CLO; that the proportion of private credit CLO issuance is growing; and that insurers, along with international investors, are increasingly looking toward the asset class for stable, risk-adjusted returns in the face of macroeconomic uncertainty driven by tariffs and other interest rate concerns.

In this highly scrutinized, dynamic environment, with strict deadlines and tight operational constraints, information quality sets the floor for:

- How managers build workflows that maximize efficiency and margins.
- How they position and differentiate themselves in the broader, and increasingly competitive, market.

Whether they're operating broadly syndicated or private credit CLOs, managers need a data layer that exposes portfolio-level fundamentals across issuers. With the right information, investors and managers can accelerate and action decisions on pricing, structuring, syndicating, and ratings actions. Investors can build a consistent investment portfolio that delivers meaningful risk-adjusted returns. In other words, reliable, timely intelligence is the necessary substrate for modern CLO shops.

US New Issue CLO Volume 2024-Present



1 Source: Octus CLO Insights

2 Octus European CLO Rankings H1 2025; Octus US CLO Rankings H1 2025

A growing market necessitates new methods

This challenge is compounded by the swelling CLO market. New issue CLO volume has reached record levels, much of which is tied to private credit CLOs, in a market environment that moves on several clocks at once. These factors, combined with a larger pool of managers and an increased desire for greater insight into portfolios has widened monitoring burden, creating a shift from desk-level views to market-scale obligations.

“The growth of the CLO market has been explosive over the last decade. Investor demand for the product continues to broadly outpace supply, especially as duration risk was exposed across traditional fixed income in the latest rate hiking cycle,” says Adelene Lee, Executive Editor at Octus. “CLOs provide investors with a floating-rate, cash-plus alternative to traditional fixed income. Investors will continue to favor the product on a relative value basis to corporates, but the tools necessary to discern well-performing managers is increasingly difficult.”

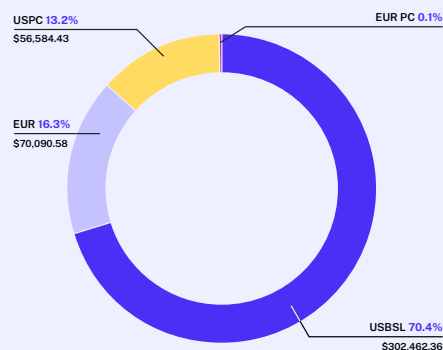
Head of Portfolio Analytics at Octus, Asif Khaja, describes the implications as such: “20 years ago, an analyst only needed to follow 20 or 30 companies, with a limited pool of other kinds of loans to invest in. But now, your job is not to just look at what you own, which could be a pool of 40, 50 companies, but also know what's going on with the other 50 companies in the space. It's a more competitive environment now because more parties are managing CLOs and that means you're always trying to outperform the person next to you. As a result, the work burden has grown because of the complexity and amount of loans to cover.”

Sufficient visibility into deals can often lag behind need. Khaja spells out the practical consequence of a market built on private issuers, explaining: “Transparency comes primarily from what is reported via trustee reports. An investor could know what is being held, but have very limited insight into how these loans or managers are actually performing.”

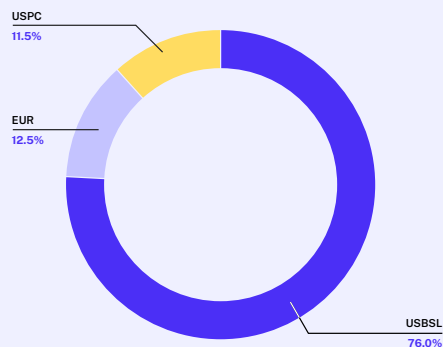
If that information is made available, market participants face the next hurdle: internal alignment to optimize efficiency. Analysts chase issuer fundamentals, traders track prints and bids, the risk team monitors tests and cushions, legal reads documentation changes, and IR prepares the single source of truth that allocators will see. If those groups do not work from the same tape, small mismatches compound into delays and errors.

Market breakdown

2025 CLO Volume



2024 CLO Volume

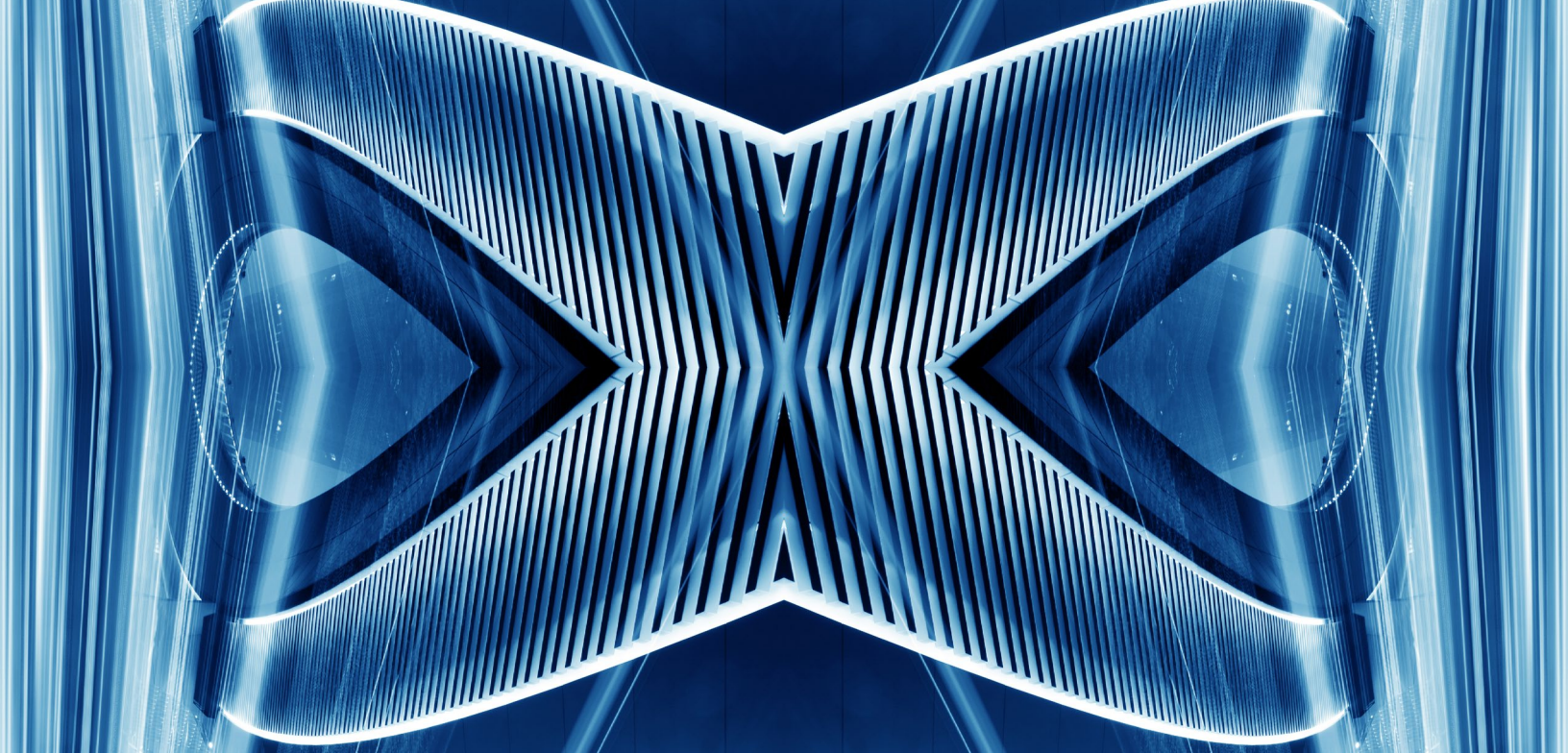


Source: Octus CLO Insights

“More parties are managing CLOs and that means you're always trying to outperform the firm across the street. As a result, the work burden has grown because of the complexity and amount of loans to cover.”



Asif Khaja
Head of Portfolio Analytics
at Octus



Differentiation driven by intelligence

Outside of portfolio collateral, investors analyze a manager's investment process, track record, and their portfolio consistency as part of their diligence efforts. These traits become especially important in times of volatility, where an experienced manager often has a proven track record through times of market stress.

Hugh Minch, who serves as Octus' Managing Editor for CLO Insights, draws the qualitative distinction plainly: "A lot of the work involved in making an investment is the analysis of the CLO manager rather than looking at a company and their earnings report, their leverage, and so on. Instead, if you're investing in a CLO, it's much more about who's the manager, what's their reputation, what's their strategy, what's their track record? The asset-level analysis is important, but it's far from the only consideration."

This focus on the quality and performance of the manager is especially prevalent in CLO equity performance, where the residual cash flows inside of the structure often reflect the manager's performance.

Ben Sauer, Senior Director for Structured Credit and CLOs at Octus, expands: "The combination of efficiency and differentiation is the name of the game. That's how you stay competitive, scale, and solidify your place as a top tier manager as witnessed by tight AAA spreads and syndicated equity interest."

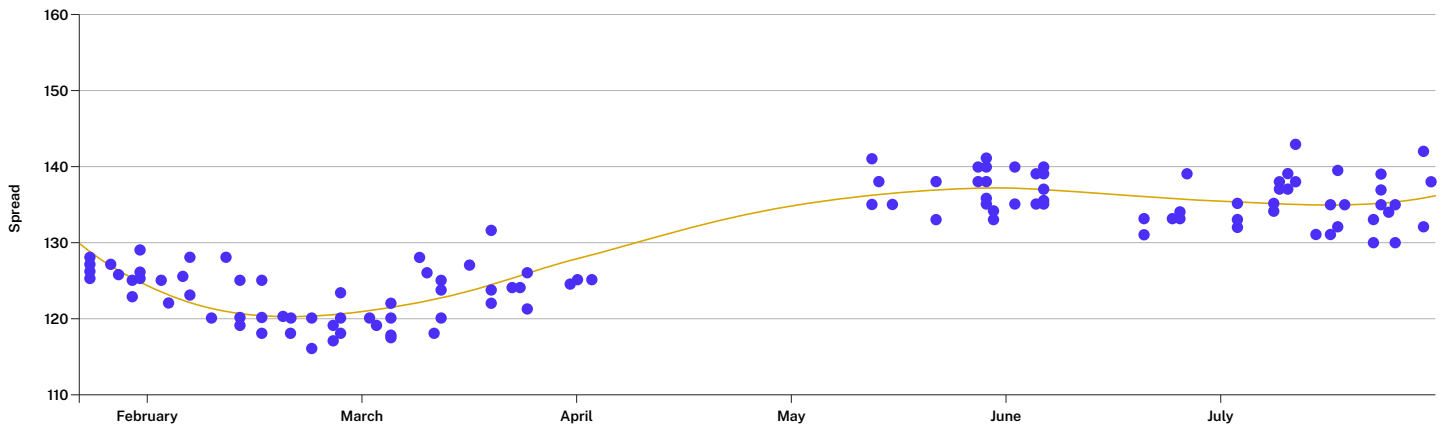
Ultimately, to stand out in a crowded marketplace, CLO managers need to differentiate themselves across the quality and experience of their team, their investment process and style, and the infrastructure of their firm.

"Who's the manager, what's their reputation, what's their strategy, what's their track record? The asset-level analysis is important, but it's far from the only consideration."

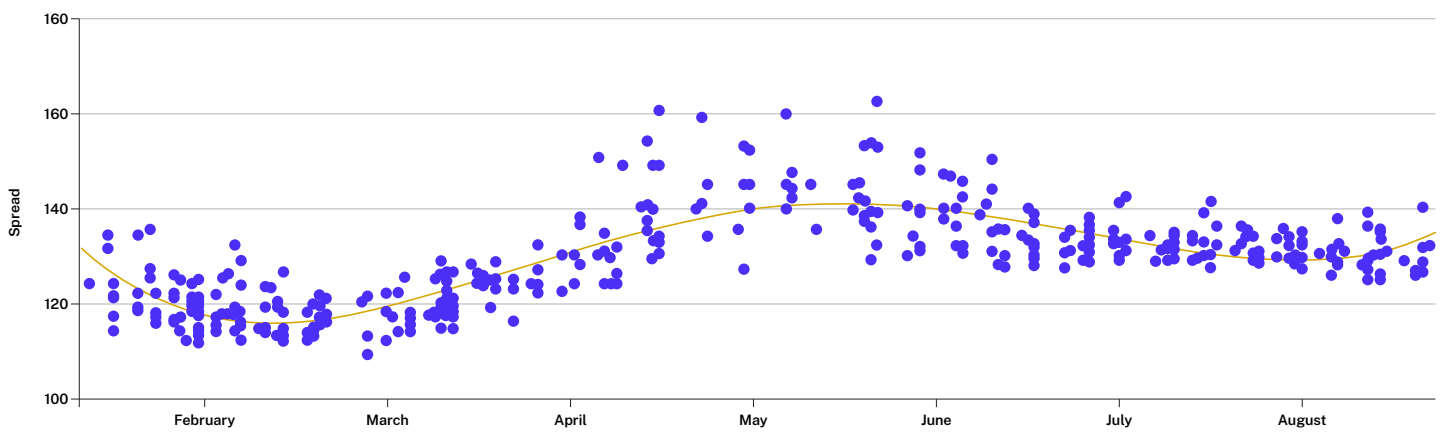


Hugh Minch
Managing Editor, CLO
Insights at Octus

EUR AAA Spreads 2025



US AAA Spreads 2025



“The combination of efficiency and differentiation is the name of the game.”



Ben Sauer

Senior Director for Structured Credit and CLOs at Octus



“Preparing for — and rapidly adapting to — these various market dynamics is considered best practice and increasingly expected of managers.”



John Borse
Founder and Head of Sky Road,
now known as Octus Credit
Portfolio Management Solution

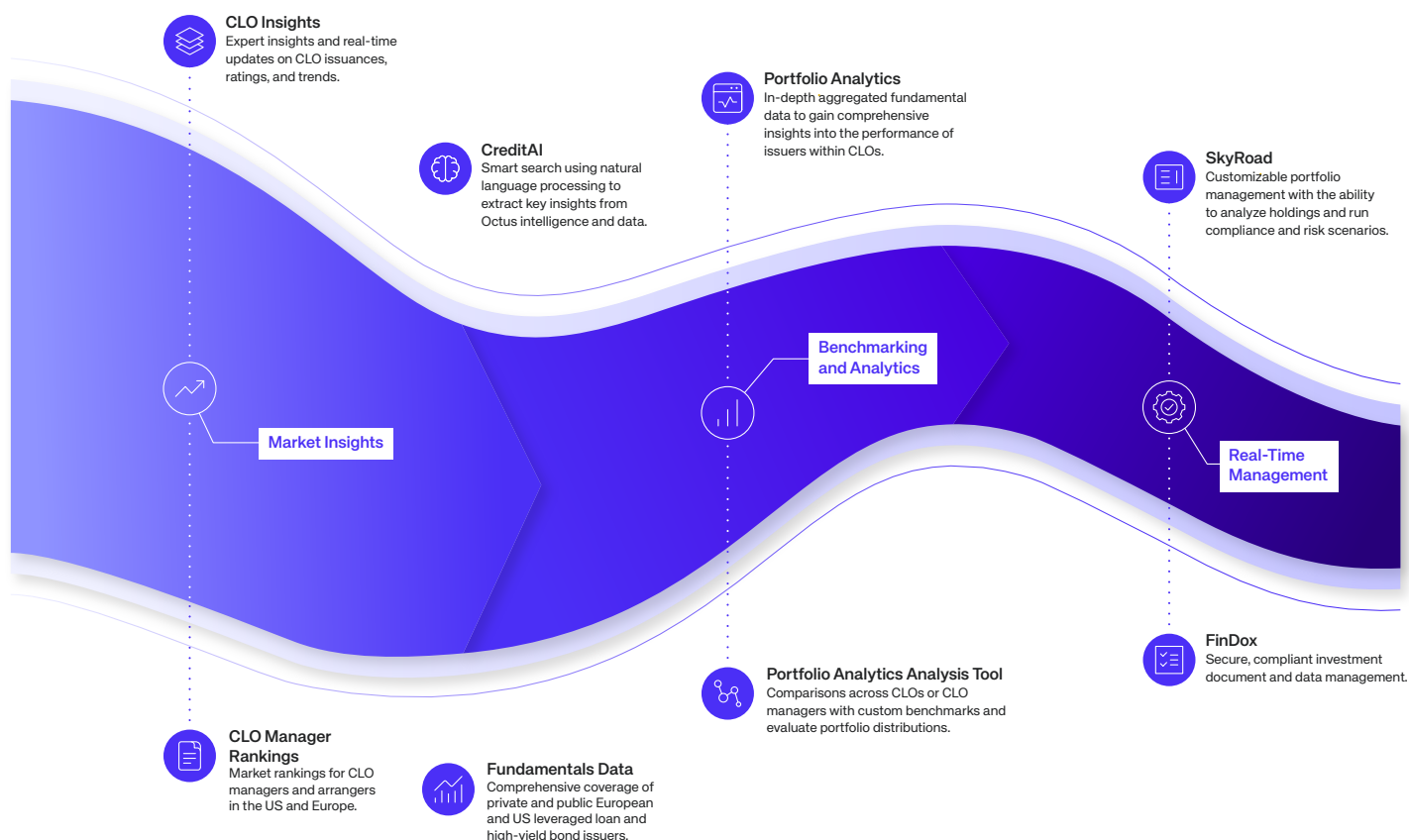
Balancing both an ever-expanding portfolio and an ever-growing market, while building and strengthening a reputation is a critical challenge.

John Borse, Founder and Head of Sky Road, now known as Octus Credit Portfolio Management Solution, frames the practical cost of not scaling a CLO toolkit accordingly:

“Today’s managers need better tools to navigate an increasingly dynamic market. No one wants to be that manager who still only runs their risk and compliance once per day. What happens if there’s news in the market? What if markets shift considerably intraday, triggering pricing changes or anticipated ratings changes? How are the portfolio’s analytics affected by intraday trading activity? Preparing for — and rapidly adapting to — these various market dynamics is considered best practice and increasingly expected of managers.”

With Octus, managers and investors have the toolkit they need to keep pulse on the market, evaluate names with rigor, benchmark manager performance and facilitate real-time activity to boost the outcomes market participants need, across both reputation and returns.

The road to differentiation



Where credit comes clear.

With Octus, you can embed real-time source data into your workflow, get customized alerts on your holdings and access tailored market-moving news and in-depth analysis. [Learn more.](#)

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