



The Market in CLOs

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Erez Biala

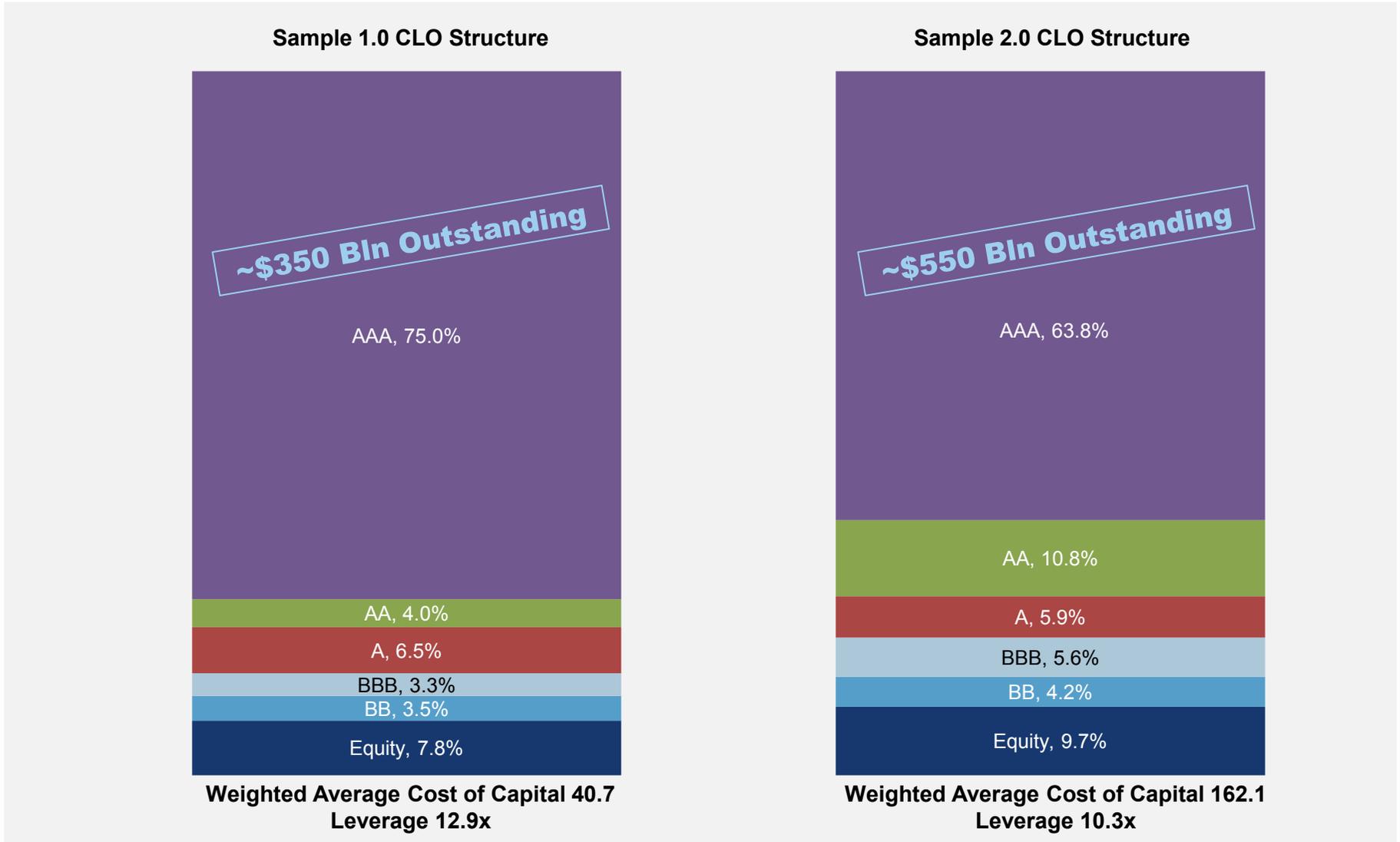
Head of CLO Trading and Banking

ebiala@apsec.com

1 (646) 776-7840

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CLOs WEATHERED THE 2008 CRISIS AND CAME OUT STRONGER



Based on representative deals: Dryden XVI (issued in 2006) and Octagon Investment Partners 30 (issued in 2017)

Source: Intex, Amherst Pierpont

STRUCTURED CREDIT AND CLOS – DECISION CRITERIA FOR MARKET INVOLVEMENT

Decision Criteria / Varieties of CLO Exposure		1 CLO Tranches (Investment)	2 Repo Financing for CLO Tranches	3 Traditional CLO Warehouse	4 Post-Pricing CLO Warehouse	5 Risk Retention Financing for CLO Managers
1	CUSIP	●	●			
	Non-CUSIP			●	●	●
2	MTM Triggers		●			
	Yield Premium to Forego MTM Triggers	●		●	●	●
3	Non-Recourse	●		●	●	
	Recourse		●			●
4	Long Term	●				●
	Intermediate Term			●		
	Short Term		●		●	
5	Rated Exposure	●	●			
	Not Rated			●	●	●

Note: Where possible we have categorized the Varieties of CLO Exposure according to an “either / or” for each of the decision criteria, but it is possible to have CLO exposure that satisfies conflicting criteria (i.e. they are not mutually exclusive). For example, it is possible to rate CLO warehouse exposure, but most lenders typically do not seek the rating and so we have denoted what is typical in the market.

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