

From: Daniel Sabba [REDACTED]
Sent: 12/12/2014 12:33:07 PM
To: jeevacation@gmail.com
CC: [REDACTED] Stewart Oldfield
Subject: Follow-up on CLO mezzanine [C]
Attachments: Clear Lake - Final Offering Circular.PDF; ING_IM CLO 2011-1 Indenture.pdf; ING 2011-1 Offering Memorandum (ecopy).pdf; Clear Lake - Indenture.pdf

Classification: Confidential

Hi Jeffrey,

Per our conversation, we wanted to send you two mezzanine CLO bonds from our investment bank's inventory, for a total of \$8.9mm. These deals have weighted average lives (WAL) of approximately 5 years or less and the bonds are 3m Libor floaters. Some points that apply to both deals:

- both deals are callable in the next payment date
- when modeling weighted average for different constant prepayment rates (CPRs), we assumed 1% constant default rate and 75% recovery
- both deals are eligible for repo once a Global Master Repurchase Agreement (GMRA) is implemented with Southern Financial (we have started the GMRA process)

I would like to speak about these transactions when you have a moment and brief you on bid/ask, market dynamics, regulatory environment, etc.

CLO 2.0

Manager: Voya
Ticker: INGIM 2011-1A D
Size: \$3.9mm
Offer: 100.00
Rating: BB+
Coupon: 3mL+450bps

Discount Margin (DM): 450bps
WAL range: next payment date-5.49y (10CPR)
WAL (40 CPR): 3.47y
WAL (25 CPR): 4.67y
WAL (10 CPR): 5.49y

CLO 1.0

Manager: Babson
Ticker: CLRLK 2006-1A C
Size: \$5mm
Offer: 96.00
Rating: Baa2/BBB
Coupon: 3mL+145bps

DM range: 235-274bps
DM (40 CPR): 274bps
DM (25 CPR): 253bps
DM (10 CPR): 235bps

WAL range: next payment date-4.75y (10CPR)
WAL (40 CPR): 3.25y
WAL (25 CPR): 3.94y
WAL (10 CPR): 4.75y

I have also attached the indentures and offering memorandums for these deals.

Daniel

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