

Keys for Strategic CLO Equity Investors



Investment Goals

- Desired Tenor / min non call period
- Desired leverage / risk return profile

Portfolio / Structure Selection

- Desired borrower base /distribution- broadly syndicated vs. middle market loans
- Industry and sector allocations
- Portfolio diversification
- Manager portfolio management style
- Ability to reprice and or refinance liabilities

Manager Selection

- Track record of delivering for equity investors
- Manager reputation with CLO debt investors
- Manager's experience and skill working within the CLO structure
- Manager's access to new issue assets
- Manager's ability to warehouse or work with trading desk to source assets
- CLOs and strategic investors are important to the manager