

MAPLES

The **CLO** *ser*

AN INDUSTRY NEWSLETTER FOR THE GLOBAL CLO MARKET

SEPTEMBER 2018

**Environmentally Sound
and Socially Conscious Investing**

Is it achievable?

US and EU Market Updates

The race continues!

STS Regulations

An End in Sight

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¹ Data in this publication is derived from a variety of sources, including MaplesFS Limited, Structured Credit Investor, LCD, Leveraged Loan, Creditflux, Moody's, S&P, Fitch, Irish Stock Exchange and Central Bank of Ireland.

US CLO Market Review

2018 year-to-date issuance for the US CLO market has been extremely active, exceeding the New Year predictions and causing the overall issuance estimates for the year to be increased. Wells Fargo upped their prediction for primary CLO issuance levels from \$125 billion to \$150 billion and other banks similarly increased their initial estimates.

The 9th of February saw the beginning of the end of US risk retention for the BSL CLO market as the LSTA action succeeded in the US Court of Appeals for the DC Circuit, and by 11 May, with no appeal being forthcoming from the federal regulatory agencies, the market welcomed a new risk retention free era for open market CLOs.

Maples conducted a review of US CLO managers in May 2018 to assess manager views on the impact of the ruling, and the full survey results can be found on our website². Highlights of the findings were that: the majority of managers with risk retention CMV / C-MOA / MOA structures in place planned on retaining those structures in some form or other, notwithstanding that, a majority did plan on selling some or all of the related risk retention interest at some stage; the majority expected some manager tiering where the manager planned to retain risk or a significant portion of the equity; and overall managers thought that the demise of risk retention would increase the number of active managers, increase the diversity of firms (such as PE firms / insurance firms) entering the market and lead to an increase in issuance volume.

Vindicating some of those predictions, a further five new managers have entered the post-crisis BSL CLO market at the time of writing in 2018: Post Advisory Group, CarVal Investors, Partners Group, Kayne Anderson and PPM America. GSO Capital Partners, Vistra Credit Opportunities Management and Bain Capital have also debuted as middle market issuers.

'Call and roll' reissues became the new norm, especially where an existing deal had refinanced and further refinancings were not permitted. The Cayman Islands merger mechanism has been heavily utilised in connection with reissues and upsizes on refinancing. Favoured for its flexibility and cost efficiency where the assets (and, in the case of call and rolls, the subordinated notes) become the assets and liabilities of the new issuer upon the effect of the merger, the Cayman Islands merger mechanism avoids the costly sale and assignment of individual loans.

Below are some of the highlights so far for 2018³:

- As at 4 September 2018, \$92.45 billion from 169 deals compared to \$73.27 billion from 132 deals in the same period in 2017.
- Refi and reset activity accounted for another \$78 billion in issuance⁴.
- AAA pricing started the year at around mid-100 to 110 and is currently around the mid-110 to mid-120s.

² <https://www.maplesfiduciaryservices.com/industry-insight/article/maples-fiduciary-risk-retention-survey-2018-insights-from-us-clo-managers-1173/>

³ Sourced from LCD, Wells Fargo reports, Creditflux and SCI.

⁴ As at 5 September 2018.

Overall 2018 Outlook

The last third of 2018 looks set to remain busy. Labor Day to Thanksgiving is normally the most active period of the year and this year looks to be no exception.

For our associate lawyers, whom we promised a quieter August – sorry! There were a reasonable number of July pricing date resets that pushed out to October, and new warehouses for primary issue picked up significantly for deals planned for year end and early 2019. The pipeline of deals that are exiting their non-call periods over the next few months is sizeable which should keep work flow busy through year end.

We look forward to working with our friends and colleagues in the CLO market through a busy and successful year end.

For further details, please contact:

Mark Matthews

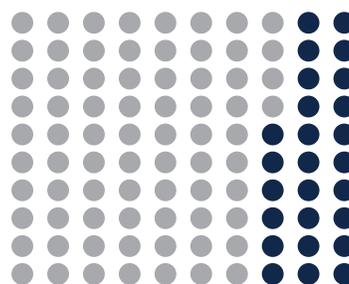
+1 345 814 5314

mark.matthews@maplesandcalder.com

Nicola Bashforth

+1 345 814 5213

nicola.bashforth@maplesandcalder.com



26%

US Market Up

European CLO Market Review

2017 saw a record post-crisis primary issuance for the European CLO market with issuance levels reaching €20.9 billion from 51 transactions.

However given the performance of 2018 so far, it appears 2017 will not hold the Euro CLO issuance top spot for very long. Year to date 2018 has already seen a total issuance of €19.22 billion from 46 deals (at 4 September 2018) compared with €11.60 billion from 29 deals in the same period in 2017.

One characteristic of the European CLO market in the last two years has been a steady and continuous tightening of the spreads on CLO notes, particularly on AAA tranche notes, which has been positive news for holders of equity tranches in particular. In addition, many managers with existing CLO transactions have taken advantage of these economic conditions, where possible, to reset or refinance their transactions. This refinancing activity has considerably contributed to the overall European CLO market issuance activity over the last 18 months.

However, recent months have seen a widening of the spreads across all tranches of CLO notes. 2017 finished with AAA spreads at a level of 72 bps, which further dropped to 68 bps in February. In contrast, the CLO transactions that priced in July 2018 had the AAA tranches priced as high as 93 bps. Market participants are attributing the widening spreads to the sheer volume of CLO issuances and, as a result of the increased paper in the market, are predicting that the incentive to refinance existing CLO transactions will diminish.

There was a surprise return of an old acquaintance to the European capital markets earlier this year by a former regular issuer, as Anchorage Capital Group priced its first European CDO to come to the market since the financial crisis.

Outlook for H2 2018 and into 2019

As previously noted, year to date 2018 is already well ahead of 2017 as regards European CLO issuance levels, with the 2018 numbers being close to double that of the same position in the previous year. In addition, the strong pipeline of warehoused transactions being prepared by a combination of experienced and debut European CLO managers points to a strong second half for CLO issuance in Europe, which looks to be on course for yet another record year. The one headwind that could impact activity in the next three to six months is the continuing widening of spreads on CLO notes which, if unchecked, would limit the refinancing activity that has buoyed the levels of market activity in 2017 and 2018.

2019 will see the long anticipated implementation of the STS Regulation (see page 9 for further details). However, given the finalisation of the text several months ago, most market participants have structured their transactions to seek to minimise the impact of the new risk retention regime coming into effect.

2019 is also scheduled to be the year that the UK exits the European Union. The uncertainty that has prevailed for several years continues around the final form and timing of Brexit. With little progress appearing to have been made in its final formulation, the impact that Brexit may have is equally uncertain, in particular as to the scope of the consequences arising on the occurrence of a "no-deal" Brexit.

Finally, as previously mentioned, the first European CDO for a number of years hit the market. Hopefully this is not a one-off but it remains to be seen whether this previous stalwart of the European pre-financial crisis capital markets makes a full scale return to the stage.

For further details, please contact:

Stephen McLoughlin

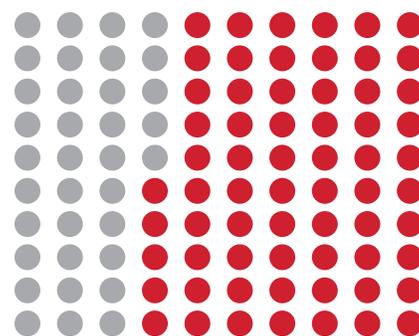
+353 1 619 2736

stephen.mcloughlin@maplesandcalder.com

Callaghan Kennedy

+353 1 619 2716

callaghan.kennedy@maplesandcalder.com



65%

European Market Up

Irish Listings Update

During the first half of 2018, 217 CLOs (US and European), comprising new issuances, re-financings and resets, were listed on the Irish Stock Exchange plc, trading as Euronext Dublin.

Of these listings, 161 were by Cayman Islands issuers, accounting for 74% of CLO listings. Of the 51 issuances that had European domiciles, 41 were Irish and 10 were Dutch. There were also four US-based issuances and one from Jersey. Maples and Calder's Dublin office listed 50% of all Euronext Dublin listed CLOs and 57% of all Cayman Islands issuers listing on Euronext Dublin.

Over the period, 86% of CLOs opted to list on the Global Exchange Market rather than on the Main Securities Market ("MSM"). 55% of the European CLOs sought listings on the MSM.

86% CLOs
opted to list on the
Global Exchange Market

55% European
CLOs sought
listings on the MSM

For further details, please contact:

Ciaran Cotter
+353 1 619 2033
ciaran.cotter@maplesandcalder.com

Want to liquidate, but can't?

Is your structure at the end of its life, but can't be liquidated due to distressed or illiquid asset holdings? This is a reminder that Maples Fiduciary has a solution for you! FLP Investments Ltd. ("**FLP**") was established to take worthless and illiquid assets (subject to certain criteria being met, transfer documentation being executed, a nominal one-off fee and basic terms and conditions being agreed for the sale) in both definitive registered and global form. The timeframe for completing any possible transfer is dependent upon the availability of documentation, notice periods, transfer restrictions and, where an administrative / transfer agent is still in place, their willingness to assist. It is therefore important to start these conversations as early as possible whilst parties are still engaged and willing to acknowledge transfers (if required).

As year end approaches, the disposal of these assets will need to be completed in order to start planning the liquidation of these entities, to ensure that unnecessary fees are not incurred.

In order to prevent the expense of annual 2019 Cayman Islands government registration fees, an appointed liquidator will be required to hold the final general meeting for a company or file the final dissolution notice for an exempted limited partnership on or before 31 January 2019.

Maples Fiduciary boasts one of the largest voluntary liquidation teams in the Cayman Islands comprising dedicated individuals with extensive experience. We have developed best practice procedures in the dissolution of various structured finance vehicles and investment funds that meet all local statutory requirements. For a straightforward voluntary liquidation of a Cayman Islands company, Maples Fiduciary can generally complete the formal statutory process within four to five weeks.

For information and further details on FLP, including a copy of our client guide detailing the types of assets FLP can take, please speak with your usual Maples contact or one of the individuals listed below:

Carrie Bunton

+1 345 814 5819
carrie.bunton@maplesfs.com

Lesley Thompson

+1 345 814 5814
lesley.thompson@maplesfs.com

For further information on the liquidation team and liquidation services, please view our [Overview of Services⁵](#) and [Frequently Asked Questions⁶](#).

Please do not hesitate to contact your usual Maples contact or one of the individuals listed below who would be happy to discuss your liquidation needs and answer any questions you may have.

Marc Randall

+1 345 814 5748
marc.randall@maplesfs.com

Mervin Solas

+1 345 814 5760
mervin.solas@maplesfs.com

⁵ https://www.maplesfiduciaryservices.com/fileadmin/uploads/maples/Documents/Our_Services/Maples_Fiduciary_Liquidation_Services_Brochure_July_2017.PDF

⁶ https://www.maplesfiduciaryservices.com/fileadmin/uploads/maples/Documents/Our_Services/Maples_Fiduciary_Liquidation_Services_FAQ_July_2017.PDF

Environmentally Sound and Socially Conscious Investing Is it achievable?

Socially responsible and eco-friendly investing is a trend that is gaining popularity at a surprising pace. Investment in ESG assets (loans to, and bonds of, corporates who employ environmental, social and governance criteria), SRI (socially responsible investing) and green bonds / loans / CLOs are terms being banded in the market as the next generation trend for investing; being advocated as having the potential to change not just the future of our environment and social system, but the financial industry at the same time.

In recent years, in line with international developments such as the Paris Agreement and the UN 2030 Agenda for Sustainable Development, there has been an ever increasing focus by governments and international bodies on sustainable or "green" finance. "Green bonds", which raise capital for projects with environmental benefits, had a bumper year in 2017 with a global issuance of \$155.5 billion, according to the Climate Bonds Initiative.

While green asset backed securities are more common in the US, in Europe issuers of green bonds have been primarily sovereigns and corporate bond issuers. In the US in 2017, Fannie Mae was the largest issuer of green mortgage-backed securities at \$24.9 billion. Indeed, rating agencies have developed specific criteria for green bonds, with the LSTA launching GLP or Green Loan Principals as an initiative to encourage the growth of the global green loan market. However, it now appears that the CLO market seems to be shifting its



focus in the direction of green finance, with Permira Debt Managers having issued the world's first "green CLO" in March 2018, a transaction that includes ESG in its eligibility criteria. Another debut manager is also aspiring to issue a similar transaction.

SRI CLOs need not be limited to deals investing solely in loans to green or global cooling companies, such as loans to solar and wind farms, as such transactions could be too risky, run contrary to the concept of asset diversity, and return rates may not be sufficient. SRI investments are significantly broader than one might initially think and can encompass investments such as a loan to a pharmaceutical company that operates in a socially and environmentally responsible way, a loan to a car company that manufactures hybrid and electric model cars amongst standard fuel models, or could even be, depending on the extent of the ESG criteria, loans to a petroleum company that allocates a small percentage of its profits to cleaning up environmental waste. There is no current fixed standardised criteria as to what can amount to an ESG investment. Investment in certain industries may also be prohibited by the criteria, with restricted investments including things such as speculative natural gas and oil extraction, gambling and tobacco.

With the market embracing infrastructure CLOs in the US and Asia, there is an argument that this is also a form of SRI investing where the projects and infrastructure built can benefit communities, develop alternative sources of energy to

fossil fuels or even bring wider employment opportunities to economically deprived locations.

With one manager having closed a CLO with ESG criteria, the question of whether the wider universe of US and European CLO managers follow suit will of course depend on the success of SRI ventures, factoring in returns on investment and the appetite investors have for these types of investment. The success of a CLO, the desirability to refinance and the liquidity of the notes is dependent upon the IRR and, at the end of the day, returns usually win out if they are exclusive to operating in a socially responsible manner, but if the two can co-exist in some fashion, whether through a more diluted criteria or wider diversification, then ESG CLOs may figure more widely in the future.

For further details, please contact:

Nicola Bashforth

+1 345 814 5213

nicola.bashforth@maplesandcalder.com

Stephen McLoughlin

+353 1 619 2736

stephen.mcloughlin@maplesandcalder.com

STS Regulations

An End in Sight

Regulation EU 2017/2402 (the "**Securitisation Regulation**") and a regulation amending Regulation (EU) No 575/2013 (the "**CRR**"), namely Regulation EU 2017/2401 (the "**CRR Amending Regulation**" and together with the "**Securitisation Regulation**", the "**Regulations**"), will both become directly applicable in EU member states. The Regulations will apply from 1 January 2019 (subject to certain transitional arrangements). These will apply to new securitisation transactions involving the issue of securities on or after 1 January 2019 and to any securitisation that creates new securitisation positions on or after 1 January 2019 – so existing securitisations that issue new securities on or after 1 January 2019 will, therefore, become subject to the Regulations.

The Regulations mark a significant reform of securitisation regulation in Europe by:

- (a) introducing a specific framework for simple, transparent and standardised ("**STS**") securitisations and asset-backed commercial paper programmes into EU law;
- (b) setting out detailed criteria that a transaction must satisfy in order to label itself an STS securitisation;
- (c) reforming and harmonising existing rules on due diligence, risk retention, disclosure and credit-granting that will apply uniformly to all securitisations, securitising entities and all types of EU-regulated institutional investors; and

- (d) implementing the revised Basel securitisation framework, including hierarchy of approaches and risk weights, into EU law and recalibrating the prudential treatment for credit institutions investing in STS securitisations.

Whilst a CLO transaction is considered a securitisation for the purposes of the Regulations, they are generally not capable of attaining STS status due to their active and discretionary portfolio management nature. Notwithstanding their inability to achieve STS status the Regulations are still relevant to CLOs for two key reasons, namely that (i) there are a number of provisions relating to, amongst other things, risk retention and due diligence and (ii) there are a number of additional requirements in the Securitisation Regulation that are relevant to all types of securitisations in general.

The following is a summary of the key provisions of the Regulations relevant to CLOs:

Risk Retention

The risk retention quantum of at least 5% of the net economic interest in the securitisation and the five permitted retention methods remain largely untouched, and in many respects existing practice for transactions will be unaltered. However, there are some key differences / points to note and these are set out below:

- (a) There is now a "direct" obligation on originators, sponsors or original lenders (including corporates and



not solely institutional entities regulated under sectoral legislation) themselves to ensure that the risk retention requirement is complied with even where there is no requirement from investors to do so (e.g. because they are non-EU entities). The new "direct" obligation is intended to complement the existing "indirect" obligation on EU institutional investors to ensure that the risk requirements are met by the originator, sponsor or original lender before investing in any particular securitisation transaction that is maintained. Some consequences of the new "direct" approach are that:

- (i) securitising entities incorporated in the EU will be required to retain risk even if the only investors are located outside the EU or are not institutional investors;
- (ii) in complex transactions it may be that more than one entity will fall within the wide definitions of originator, sponsor or original lender and responsibility for risk retention compliance and potentially related liability will need to be agreed among them; and
- (iii) the definitions of securitisation, sponsor, originator and original lender are wide. The "direct" obligation clearly applies to originators, sponsors and original lenders doing business in the EU and whilst on a literal reading it also applies to securitising entities established in third countries entering into securitisations of local assets aimed at local investors, the better view is that the EU regime does not apply to originators, sponsors and original lenders established outside the EU.

This view is shared by the European Banking Authority ("**EBA**") who recently acknowledged in the Feedback Statement accompanying the final draft RTS (as defined below) published on 31 July 2018 that a "direct" obligation should apply only to originators, sponsors and original lenders established in the EU as suggested by the European Commission in its explanatory memorandum.

- (b) The originator, for the purpose of satisfying the risk retention rules, may not be an entity that has been "established or operates for the sole purpose of securitising exposures". The particulars of what is required to pass this test shall be included in a new set of regulatory technical standards ("**RTS**") on the risk retention requirements developed by the EBA and will replace the RTS under the CRR. The clear aim here is to prevent structures being established to meet the literal legal requirements of the retention rules but not comply with the "spirit"; and
- (c) The definition of sponsor is widened to include "credit institutions, whether located in the Union or not", and "investment firms". Investment firms are no longer restricted to being EU licensed MiFID entities, and now include any legal person whose regular occupation or business is the provision of investment services to third parties and / or the performance of investment activities on a professional basis. This opens the possibility of third country (e.g. the US) based managers being able to qualify as a "sponsor".

<p>ISSUER REQUIREMENTS</p>	<p>There is a prohibition against SSPEs (securitisation special purpose entities, namely the securitisation issuer) being established in certain types of non-EU countries if that country is considered high-risk by the Financial Action Task Force or if that country has not signed up to OECD agreements for the exchange of information in tax matters. In practice, the SSPEs (i.e. the issuer) engaged in CLO 2.0 transactions have been incorporated in Ireland or the Netherlands.</p>
<p>RESTRICTIONS ON SELLING RESTRICTIONS TO RETAIL CLIENTS</p>	<p>Certain conditions (such as, but not limited to, a suitability test being performed and communicated) are required to be satisfied before a "seller" of a securitisation position can sell that position to a retail client (as such term is defined in point 11 of Art. 4 para. 1 MiFID II), making it important that originators, issuers and other parties involved in marketing and distribution are careful about the market they target for securitisations. Such retail clients are not typical buyers of CLOs so this element of the Regulations will not overly concern the CLO market.</p>
<p>CREDIT GRANTING REQUIREMENTS</p>	<p>The same criteria that are applied by originators, sponsors and original lenders to exposures that are held on their own balance sheet are required to be applied by each of them when assessing exposures to be securitised. The purpose of this requirement is to safeguard against originators "cherry-picking" assets by transferring assets likely to render high losses to an SSPE whilst keeping those assets more likely to "perform better" on balance sheet. In addition, an originator purchasing a third party's exposures for its own account and then securitising them is required to verify that the original lender also met such credit granting criteria (although there is limited grandfathering for older transactions).</p>
<p>TRANSPARENCY</p>	<p>Originators, sponsors and original lenders must make certain information in respect of the securitisation and underlying exposures (including, but not limited to, quarterly information) available to holders of a securitisation position, competent authorities and, upon request, to potential investors.</p> <p>Information must be disclosed via a registered securitisation repository or, if no registered repository exists, via a website that meets certain requirements as to data control and security.</p> <p>In circumstances where EU law does not require a prospectus to be drawn up in relation to a securitisation transaction, there is no obligation to disclose transaction information publicly via a registered securitisation repository or website. A transaction summary or overview of the main features of the securitisation will be required to be made available to holders of securitisation positions of such private transactions, competent authorities and, upon request, to potential investors, although for any such private transaction "potential" investors is likely to be a limited category of persons.</p>
<p>RE-SECURITISATION</p>	<p>Re-securitisation transactions (securitisation transactions where the underlying exposures include securitisation positions) are now, subject to limited exceptions, prohibited.</p>
<p>SANCTIONS FOR BREACH</p>	<p>Effective, proportionate and dissuasive sanctions (including pecuniary sanctions) shall be imposed by EU Member States in cases of negligence or intentional infringement of the risk retention, transparency or credit-granting requirements.</p>

Grandfathering, Transitional Provisions and Next Steps

Whilst the framework provided by the Securitisation Regulation is fixed, some of the criteria are vague as it does not contain full details of the new regime. More comprehensive details in respect of certain aspects of the regime will be set out in new RTS, which are still in the process of being drafted. All securitisation transactions with securities issued prior to 1 January 2019 will be required to be compliant with existing risk retention obligations set out in sectoral legislation rather than the Regulations, which will only apply to securitisations issued on or after 1 January 2019. Securitising entities will be subject to the new direct obligation to retain risk for securitisations issued after 1 January 2019, but until the new risk retention RTS have been adopted the existing RTS in respect of the previous risk retention regime will continue to apply.

For further details, please contact:

Stephen McLoughlin

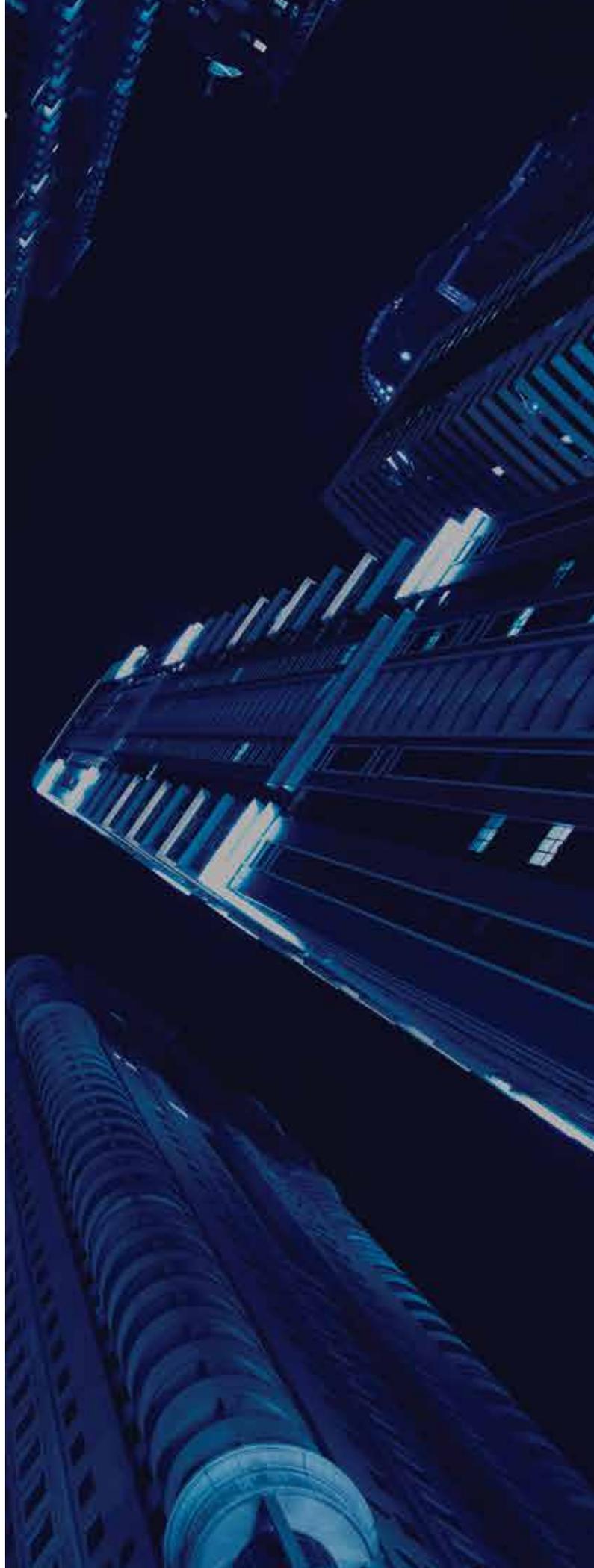
+353 1 619 2736

stephen.mcloughlin@maplesandcalder.com

Callaghan Kennedy

+353 1 619 2716

callaghan.kennedy@maplesandcalder.com



30 September 2018: Deadline for CLO Issuers to Appoint AML Officers

As previewed in the February edition of The CLOser and our recent client updates,⁷ the Cayman Islands anti-money laundering ("**AML**") regime has been significantly revised. Cayman Islands CLO issuers, along with all other regulated or unregulated hedge funds, private equity funds, structured finance vehicles and entities conducting securities investment business, that conduct "relevant financial business" were required to implement AML compliance arrangements (see "AML Procedures" below) by 31 May 2018.

While CLOs commencing business on or after 1 June 2018 must appoint AML Officers immediately, existing CLOs have until 30 September 2018 to appoint "AML Officers" (see below). The Cayman Islands Monetary Authority ("**CIMA**"), the supervisory authority for AML compliance, has the power to impose significant fines upon any CLO that is not in compliance with these requirements by 30 September 2018.

AML Procedures: In summary, Cayman CLOs are now required to maintain the following AML Procedures:

- (a) Identify and perform due diligence on investors (including where applicable the beneficial owners, controlling persons, authorised persons and intermediaries acting on behalf of such investors); and
 - (b) On an ongoing basis, adopt a risk-based approach to identify and assess money laundering and terrorist financing risks (e.g. sanctions screen), keep records, implement internal controls and designate natural persons as the Anti-Money Laundering Compliance Officer ("**AMLCO**"), the Money Laundering Reporting Officer ("**MLRO**") and the Deputy MLRO ("**DMLRO**") (together, the "**AML Officers**") in accordance with the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands (the "**AML Regulations**").
- AML Officers:** The AML Regulations and the associated Guidance Notes issued by CIMA require that the AML Officers be natural persons who have:
- (a) sufficient skill, experience, seniority, authority and resources to perform the role;
 - (b) specific knowledge regarding the applicable Cayman Islands legislative, regulatory and other requirements; and
 - (c) the ability to carry out their duties and responsibilities without any conflict of interests. In practice, only two people are required as one person can serve as both AMLCO and either MLRO or DMLRO.

⁷ <https://www.maplesandcalders.com/news/article/investment-entity-aml-officers-only-two-months-remain-to-make-appointments-1755/>

<https://www.maplesandcalders.com/news/article/increasing-clarity-on-cayman-islands-aml-obligations-1688/>

The MaplesFS Solution: The AML Regulations permit (i) CLOs to delegate the maintenance of the AML Procedures to MaplesFS and (ii) the AML Officers of CLOs to be provided by MaplesFS. MaplesFS has developed risk-based AML compliance procedures for CLOs and is routinely providing such services to its CLOs. MaplesFS has also commenced a project to ensure all of its existing CLOs have appointed AML Officers comfortably before the 30 September deadline.

CIMA Guidance: CIMA has not yet issued any meaningful sector specific guidance for structured finance vehicles such as CLOs. While CIMA is expected to issue a revised version of the Guidance Notes shortly, we do not expect that the revisions will have direct relevance to structured finance vehicles. We will continue to monitor all guidance and notices released by CIMA, and to issue further client updates to notify you of any practice development in this area.

Other Vehicle Types: For advice regarding the AML obligations of Cayman Islands entities involved in other product areas or the review of existing or proposed AML compliance or delegation arrangements, please contact your usual Maples and Calder lawyer or:

Scott Macdonald

+1 345 814 5317

scott.macdonald@maplesandcalder.com

Finally ... eyes on Asia?

As the Asian CLO market and the interest of Asian investors in US CLOs each continues to grow, the Maples group is monitoring market developments in these areas with a view to sharing our thoughts and insights in a future edition of the CLOser – stay tuned!

Our global CLO service offering and presence of Maples and Calder and MaplesFS in Asia means that we are well-placed to assist as opportunities continue to emerge, and the Maples group is pleased to report that we will be attending IMN's 1st Annual Structured Credit Summit in Hong Kong this October. We look forward to catching up with delegates and learning more!

For insights on the developments in Asia, please contact your usual Maples and Calder lawyer or:

James Reeve
+1 345 814 5129
james.reeve@maplesandcalder.com

Stacey Overholt
+852 3690 7441
stacey.overholt@maplesandcalder.com

Your Global CLO Team

A CLOser Look

I am a partner in the Finance Group of Maples and Calder based in the Dublin office, and I advise on the Irish legal issues for European CLO transactions. Having trained at the firm in Dublin, I can claim to be the first true born and bred Maples partner in Ireland!

Prior to returning home to Ireland to answer the call of the law all those years ago (i.e. signing my life and liberties away as a trainee), I led a more eclectic life perhaps than the world of structured products, first as a history undergraduate in the beautiful Garden State at Princeton, then more adventurously as an English teacher in Java, Indonesia and finally, to the despair of my family, as an aid worker (and bar manager!) in East Timor.

The firm's intranet list of non-English language speakers still optimistically lists me as our resident Bahasa Indonesia and Tetun guru, though I have yet to be called upon to gamely exercise the last of my dying language talents in the CLO sector. Motorcycle riding and regular scuba diving are my other lost arts from those times, largely replaced now by the more pedestrian pursuits of Irish sea swimming and pub-going (yes, that is an acceptable hobby!). If anyone reading is a Tottenham Hotspur or Irish rugby fan, I will happily accept any invites to attend any games whatsoever. Likewise for the Tokyo Olympics in 2020!

As well as being "made up" in Maples this year, I also took the plunge last month into the more important partnership of marriage. Thankfully, my wife is not a lawyer nor does she have any idea really of what structured finance means - she hasn't even watched the Big Short! I am taking this disinterest in what I "do" to be a healthy sign.

We honeymooned in the Seychelles, which I can't recommend more highly. But life is not all rainbows, tropical beaches and sunset cocktails (unless perhaps you work in Maples Cayman), and return to the grindstone we eventually did to find in my inbox a request to write a bio for the CLOser; and so I am writing to distract myself from my recent return to reality. And if you have read this far, so must you too now!



“

Having trained at the firm in Dublin, I can claim to be the first true born and bred Maples partner in Ireland!

”

Callaghan Kennedy

Partner, Maples and Calder
Dublin

I am a Senior Vice President in Maples Fiduciary's structured finance department based in the Cayman Islands. I was born in Victoria, B.C., Canada and have always been an island girl. I grew up on Vancouver Island spending a lot of time outdoors camping, hiking and hanging out at the lake or ocean.

I was so upset when, in grade 10, my parents told me we were leaving Victoria to move to Semans, Saskatchewan, the small town where my dad was from. Never mind I had to leave my friends, the city, ocean and mountains, but we were moving to a small town of 350 people that was really cold in the winter and surrounded by nothing but wheat fields and cows for hundreds and hundreds of miles. A few years later, my dad told us he had been offered a job in the Cayman Islands and we were moving there. None of us had ever heard of the Cayman Islands and we thought "not another place in the middle of nowhere". As you did back in 1986 as Google had not yet been invented, we had to dust off the atlas to figure out where it was. When we did arrive in Cayman we fell in love with it. I was just happy to be warm again and back on an island surrounded by water and beautiful beaches. That was 32 years ago and my family still calls Cayman home.

I am not sure how I ended up in the financial services industry as I had my life planned out. I intended to go to university back in Canada and become an elementary school teacher and live in a cabin in the woods. As plans often change, I ended up in law school with a number of my fellow Maples colleagues and have not looked back since.

I joined MaplesFS in 2001 after spending a few years doing compliance in the funds industry with a stint in trust administration. At the time I was hired, new AML regulations had just been introduced and the existing book of deals had to be remediated, so they needed to hire additional staff to help with this. I was employee number 25 and at the time MaplesFS only provided fiduciary services to structured finance entities. It does seem a bit like deja-vu writing this all down as it is almost 17 years to the date that I started with MaplesFS, and we are now in the midst of new AML regulations and another round of AML remediation.

In my time with MaplesFS, I have watched the company go through many changes and have witnessed the phenomenal growth of the organisation. Sometimes I can't believe we now have over 800 staff and operate in 14 key locations. I have also seen so many changes in the structured finance industry itself and have had the opportunity to work on every type of structure in our book of business. My portfolio now consists mainly of CLO / CDOs, note repack programmes and securitisations.



Carrie Bunton

Senior Vice President, Maples Fiduciary

Cayman Islands

In the early years, we closed deals, moved on to the next one and managed the day to day administrative requirements of the deals we were directors on. In the past 10 years however, the role of a director and the structures have changed significantly. I still remember vividly when it all changed; I was sitting in the maternity ward on the morning of 15 September 2008 having just delivered my youngest daughter. A few hours later, phone calls started coming in on my work phone from clients about the Lehman bankruptcy and the urgent need to get documents signed up. My fellow MaplesFS directors and I had to step up to the plate in the aftermath of the credit crisis and we came away from that being stronger directors with more knowledge and insight on certain elements of these structures than others who had not been through it all. Along with Maples and Calder, we were able to share all that we had learned and experienced and champion certain changes that were needed to some of the structures / deal documents in our director's cut presentations. Now one of the biggest impacts on our business is dealing with all of the regulatory changes, some of which were implemented to prevent another credit crisis from impacting our deals. We are now on version 3.0 of the presentation if you are interested in knowing more about it.

When I am not closing new deals, I am involved in the day-to-day management of the Cayman Structured Finance group and have responsibility for the Regulatory team that sits within our group. My coworkers refer to me as "Mama Bear", which I hope is because I keep a watchful eye over everyone in our group and provide helpful guidance on many topics to do with Maples or our deals.

When I am not at work I love spending time with my two daughters (Megan who is 28 and Mikala who is 10) and my husband Shannon. I love to travel and am always up for a new adventure. I can't believe I am admitting this, but in my younger days I was a serious baton twirler and still have boxes of all the trophies at my mom's house for some reason. Being from Canada I am an ice hockey fan.

I was a diehard Vancouver Canucks fan, however, I had to switch allegiance to the Dallas Stars and Montreal Canadiens to support my cousins who play for each of the teams. I also love to crank up AC/DC, Bon Jovi and Def Leppard (who I just saw in Tampa with two of my favourite coworkers) as I drive around in my car and have proudly passed that tradition on to both of my daughters!

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Forthcoming Events

Members of the Maples Global CLO Team will be attending the following industry events during H2 2018.

 <p>23-25 Sep</p>		<p>ABS East 2018 Fontainebleau Miami Beach Miami, FL</p>
 <p>9 Oct</p>		<p>European CLO Summit 2018 Marriott Hotel Grosvenor Square London, UK</p>
 <p>23-24 Oct</p>		<p>Asian Structured Credit Summit JW Marriott Hong Kong, China</p>
 <p>28-30 Nov</p>		<p>Opal CLO Summit 2018 Monarch Beach Resort Dana Point, California</p>

A Global Team

Our CLO team comprises 26 specialist CLO lawyers and 48 specialist CLO fiduciary professionals based in the Cayman Islands, Delaware, Dublin, Jersey, London and the Netherlands.

Since the inception of the CLO market over 20 years ago, we have provided our clients with the benefit of our unparalleled depth of knowledge, experience and insight into what we see across the whole structured finance market, from the latest warehousing structures, to the latest regulatory developments and how they impact CLOs, to ongoing post-closing CLO issues.

For further information, please speak with your usual Maples and Calder or Maples Fiduciary contact, or the primary CLO contacts overleaf.

Maples and Calder

Cayman Islands

Alasdair Robertson
+1 345 814 5345
alasdair.robertson@maplesandcalder.com

Mark Matthews
+1 345 814 5314
mark.matthews@maplesandcalder.com

Scott Macdonald
+1 345 814 5317
scott.macdonald@maplesandcalder.com

Nicola Bashforth
+1 345 814 5213
nicola.bashforth@maplesandcalder.com

John Dykstra
+1 345 814 5530
john.dykstra@maplesandcalder.com

Tina Meigh
+1 345 814 5242
tina.meigh@maplesandcalder.com

Jonathon Meloy
+1 345 814 5412
jonathon.meloy@maplesandcalder.com

James Reeve
+1 345 814 5129
james.reeve@maplesandcalder.com

Dublin

Stephen McLoughlin
+353 1 619 2736
stephen.mcloughlin@maplesandcalder.com

Callaghan Kennedy
+353 1 619 2716
callaghan.kennedy@maplesandcalder.com

Hong Kong

Stacey Overholt
+852 3690 7441
stacey.overholt@maplesandcalder.com

Jersey

Chris Byrne
+44 1534 495 311
chris.byrne@maplesandcalder.com

London

Jonathan Caulton
+44 20 7466 1612
jonathan.caulton@maplesandcalder.com

Singapore

Michael Gagie
+65 6922 8402
michael.gagie@maplesandcalder.com

Maples Fiduciary

Cayman Islands

Guy Major
+1 345 814 5818
guy.major@maplesfs.com

Delaware

James Lawler
+1 302 340 9985
james.lawler@maplesfs.com

Dublin

Stephen O'Donnell
+353 1 697 3244
stephen.odonnell@maplesfs.com

London

Sam Ellis
+44 20 7466 1645
sam.ellis@maplesfs.com

Netherlands

Jan Hendrik Siemssen
+31 20 570 6820
janhendrik.siemssen@maplesfs.com



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