

Each delegate will receive a prestigious Certificate of Completion together with free copies of all the software used.

REGISTRATION FEES:

Standard Course Fees: GBP 2,500 + VAT (where applicable) per person for the 3-day course. Fee includes tuition, lunch, refreshments and teaching materials. Hotel accommodation is not included in the course fee. VAT will be charged on the invoice for (i) Swedish persons or entities or (ii) entities or persons not registered for VAT in other domiciles.

INVOICE:

An invoice will be sent upon receipt of registration form. Please note that payment must be received prior to the course.

TEAM DISCOUNT

When three or more colleagues from one institution attend the same course, there is a 10% discount available on the second and additional bookings.

CANCELLATION POLICY:

A full refund less an administration fee of GBP 100 will be given for cancellation requests received up to 10 working days before the event. Cancellations must be made by email before the 10 working days deadline. Delegates who cancel less than 10 days before the event, or who don't attend, are liable to pay the full course fee and no refunds can be given. However, if you have paid your course fee in full, you may wish to attend the next course, as an alternative. Of course, a replacement delegate is always welcome.

LAPTOPS:

Delegates must bring their own laptops complete with a version of Excel 2007 (or later) and Adobe Acrobat together with an active USB Port. All other materials will be supplied.

PERSONAL DETAILS

Family Name (Mr/Mrs/Ms)

First Name

Position Department

Company

Address:

Postcode Country

Telephone Email

PAYMENT DETAILS

☐ Please Invoice me/ my institution. Purchase order no _____

☐ MONEY TRANSFER please remit the payments to SEB, ST BV, 106 40, Stockholm, Sweden Swift Code: ESSESESS, IBAN: SE28 5000 0000 0593 6825 9712

☐ CHEQUE enclosed with order for GBP _____ made payable to CREATIVE CAPITAL PARTNER

☐ PAYPAL to CREATIVE CAPITAL PARTNERS

4 EASY WAYS TO REGISTER

Post this form to: Luke Mellor
Creative Capital Partners
Engelbrektsgatan 25
Stockholm S-114 32
Sweden

Register on Facebook: Creative Capital Partners
Telephone us on: +46 73 645 9936

email us: luke.mellor@creative-cap.com

PUBLIC SECURITIZATION COURSES THE WORLD OVER IN 2020

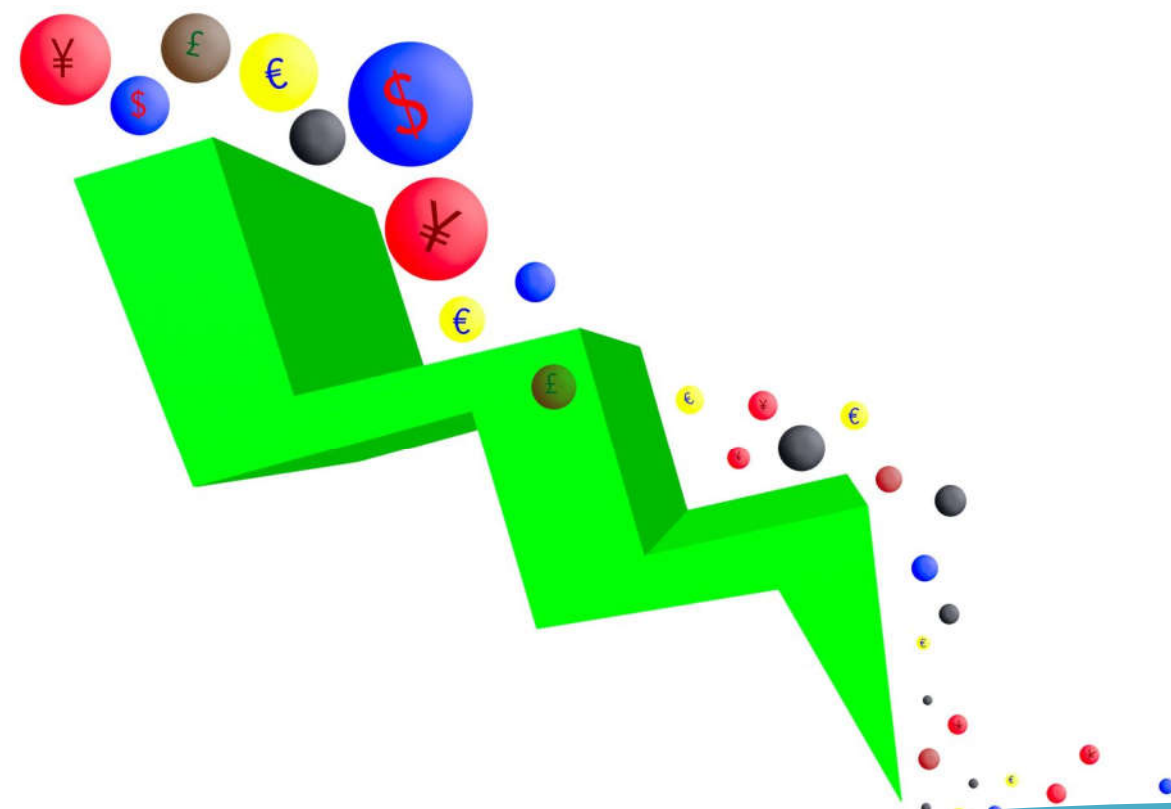


Social Media: Search for “Creative Capital Partners” on any of the above social media for details of this and all our other courses worldwide

Securitization Courses for Securitization Professionals

Course Director: Luke Mellor
Founding Partner – Creative Capital Partners

Brand New European CLO Case Study



UNDERSTANDING AND STRUCTURING CLO FOR ISSUERS AND INVESTORS 3 Day Excel Based Practical Programme Email for Dates – 25% Discount Online Courses

This programme will teach you how to become the complete securitization professional with the soup-to-nuts agenda covering structuring and modelling a Leverage Loan CLO – Contego V

- Using CDO Evaluator to derive SDR for different tranche ratings
- Using the Binomial Expansion Technique for diverse portfolios of heterogeneous assets.
- How to “mark-to-model” illiquid tranches in the secondary market.
- Examining Standard & Poor's, Fitch & Moody's EMEA Cashflow Modelling requirements
- Using Excel VBA to construct User Defined Functions for Interest Coverage Tests
- Reverse engineering a Leveraged Loan CLO cash flow model from the offering circular and rating agencies' pre-sale reports of a recent CLO issue.

WHO SHOULD ATTEND

- ✓ Securitization Professionals
- ✓ Sales & Trading
- ✓ Portfolio Managers
- ✓ Investment Analysts
- ✓ Risk Management
- ✓ Rating Agents
- ✓ Quantitative Analysts

21 Years
Securitization
Training
1999-2020

Information Hotline: +46 73 645 9936
luke.mellor@creative-cap.com

UNDERSTANDING AND STRUCTURING CLOS FOR ISSUERS AND INVESTORS

REGISTRATION ON DAY ONE IS AT 8:30AM – THE COURSE STARTS AT 9:00AM UNTIL 5:00PM

DAY ONE - CLO PRIMER

The delegates compare the differences in approach between Fitch/S&P and Moody's and how this impacts the model outputs. The primer then goes on to cover the different methods of credit enhancement that are available in typical CLOs (subordination, available excess spread) as well as the key stresses that will effect excess spread and return to investors (losses/ prepayments/ default timing/recovery rates/etc)

OVERVIEW OF CLO MODEL

The delegates are shown how the completed model mirrors the documentation by walking through the various worksheets. The delegates will be able to track how the different features of the CLO combined with the various stresses will impact the investor return/rating.

STANDARD & POOR'S CLO CRITERIA

The criteria is an update to the major revisions that were applied for the 2009 criteria. As with its predecessors, the key to the criteria is the comparison between the Scenario Default Rates (SDRs) which are derived from the credit risk characteristics of the underlying collateral and the capital and structural features of the CLO. The delegates are taken "step-by-step" through S&P's prescriptive approach to rating CLOs

STANDARD & POOR'S CRITERIA - SUPPLEMENTAL TESTS

In addition to the array of default and interest rate tests, S&P has introduced supplemental tests to address obligor and industry concentrations across the range of tranche ratings. Moreover, the module will address revisions to its CDO Evaluator as well recovery rates defined by country and the different default patterns.

DAY THREE – EXCEL CASE STUDY

The key to any cash flow model is to ensure a faithful projection of the CLOs expected and stressed cash flows. These start with the expected collateral cash flows based on either the actual portfolio or the manager's covenanted portfolio. For floating rate collateral, both rating agencies will assume a given assumed path for both LIBOR and EIRIBOR coupled with a given WAC or WAS spread covenant.

EXCEL CASE STUDY – STRESSING THE CASHFLOWS

All major rating agencies have a prescriptive approach to stressing the transaction. These stresses will include default timing (or vectoring), interest rate scenarios, FX risk (present in most European CLOs). Where the transaction incorporates reinvestment conditions, the rating agencies will wish to see the effects of this on the defaulting nominal as well compliance with any Reinvestment OC Test. All the rating agencies supply a multitude of default scenarios defined not only by pattern but also start date.

EXCEL CASE STUDY - THE PAR VALUE AND INTEREST COVERAGE TESTS

A key part of the model is to determine how the stressed cash flows are allocated between the different items in the principal and interest waterfalls. CLOs are fairly unique in that they incorporate Par Value and IC triggers that, if breached, materially change the structure of the waterfall to promote the deleveraging of the most senior tranches. Delegates are shown how, using Excel VBA, they can construct complex user defined functions, to calculate the notional value of the tranches in order to bring the performance tests back into compliance

EXCEL CASE STUDY – LEARNING HOW TO DISPLAY THE OUTPUTS

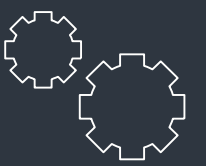
For Moody's the tranche rating will be based on a combination of the WAL of the tranche and the calculated expected loss. The delegates will examine how this are detailed against a range of 30 default and interest rate scenarios and what are the permissible deviations for different tranche ratings. In the case of Standard & Poor's, each of the many scenarios will give rise to a Break Even Default (BDR) rate. These are compared to the Scenario Default Rate (SDR) for each tranche and, depending on the tranche rating, the permissible percentile where the BDR is lower than its SDR equivalent.

COURSE BACKGROUND

Securitization is now back after 5 years in the wilderness. Investors are demanding more robust structures that go beyond the rating agencies. Key to those demands are the intricacies of structuring together with understanding how the available cash flows and the external facilities shape the capital structure.

COURSE OBJECTIVES

This three-day core course in CLOs securitization offers delegates the opportunity to gain confidence to understand and program their own CLO cash flow models. The course begins by offering a primer on the building blocks of CLO as they relate to structures. The course then develops the delegates understanding into the rating agencies' programming requirements and outputs ("first dollar loss" vs "expected loss"). Lastly, by examining the offering circular, pre-sale and investor reports from a recent CLO, the delegates will reverse engineer a rating agency compliant cash flow Excel programme for the purpose of calculating the capital structure.



COURSE DIRECTOR

Luke Mellor is the founder of Creative Capital Partners, a training and securitization consultancy founded in 1999. Its clients include SARS, the UK FCA, EIB as well as other major banks worldwide. Thousands of securitization professionals have taken his modelling courses. Previously, Mr Mellor was Global Head of Securitization at ABN AMRO. He has over 34 years experience in securitization



TEACHING METHODS

Great emphasis is placed in ensuring that all the delegates have a thorough grounding in each module, before each practical session. Each of the modules will start with a presentation explaining the theory. This will be followed by a practical session consisting of either testing a completed model or building a model from scratch



PRE-COURSE READING

Upon registration, each delegate will be sent an email link to a Dropbox account where all the pre-course material will be available. In addition, to the background course material, the Dropbox account will contain a short cheat sheet of Excel functions that will ensure even an Excel beginner will be armed with the requisite programming skills.

