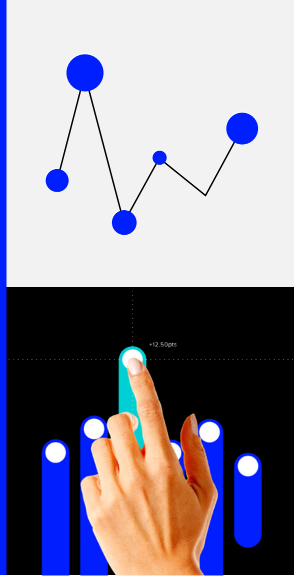
LSEG Yield Book



LSEG Yield Book CLO Prepayment Model

For more than 35 years, Yield Book has been a trusted source of securitized analytics and models for institutional buy-and sell-side clients globally. Building upon this legacy, we have added an enhanced framework for analysing and valuing Collateralised Loan Obligations (CLOs) into our product suites.

We are pleased to announce the addition of CLO Prepayment Model to our suite of predictive models.

The CLO Prepayment Model predicts the rate at which loans exit the collateral portfolio before maturity (excluding defaults) and consists of two components:

Refinancing Model	Turnover Model
The Refinancing Model is a statistical regression model, primarily influenced by tightening spreads. **Model drivers i**nclude leveraged loan new issue spread, weighted average spread, par-plus loan percentage and weighted average time to maturity.	The Turnover Model is a statistical regression model that combines two components: **Manager Selling,** which is driven by the manager's efforts to maintain or enhance portfolio credit quality, and **Deal Calls**, which are mainly triggered by weak equity performance and/or significant loan price appreciation. **Model drivers** include years from end of reinvestment period, weighted average life, weighted average price, CCC exposure, weighted average spread and weighted average rating factor (WAS over WARF ratio), cov-lite exposure and seasonality.

Model Dials

The model is applicable to BSL or Private Credit CLOs. It can be used with pre-defined scenarios and customized scenarios on key model drivers (loan price shock, rating upgrade/downgrade). The model output under different user-defined scenarios will feed into the cashflow engine, producing a wide range of analytics measures.

Model Output

The outputs of the models are monthly CPRs for each deal.

Model integration with existing analytics

The outputs of the models are consumed by the CLO cash flow engine to generate security cash flows as well as analytical results for CLO bonds. We have closely mimicked the existing workflow for other predictive models for seamless model integration.

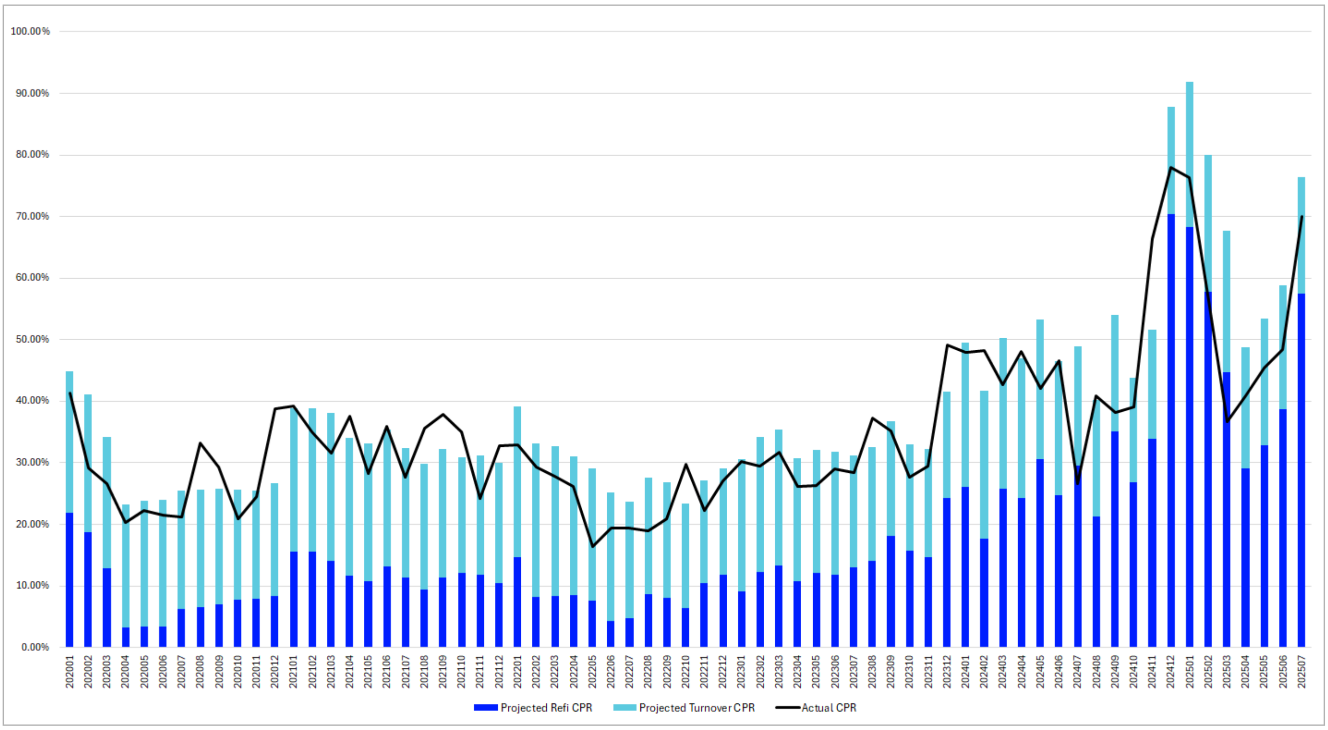
Analysing CLOs in Yield Book: deal & note information

Yield Book users can easily retrieve deal and note level terms and conditions, loan level information and portfolio test trigger data sourced from trustee reports, and run cash flows. Users can also calculate analytics such as yield, duration, WAL, discount margin, DV01, To Call measures, etc.

LSEG DATA & ANALYTICS

Model Performance

Actual and projected CPRs



Source: LSEG and LSEG Yield Book (August 2025)

Contact us

To learn more, contact us at analyticssales@lseg.com, or visit our website solutions.yieldbook.com

Americas +1 646 989 2200
EMEA +44 20 7334 8963

Asia-Pacific
Tokyo +81 3 6441 1015
APAC +886 2 8729 5130

LSEG DATA & ANALYTICS