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CLO Manager Module significantly improved overall operational efficiency for a large US and London based investment firm

Our Moody's team of experts helped drive fast trade testing, automated deal and portfolio level reporting, seamless compliance monitoring, and improved response times to investors.

KEY CLIENT OBJECTIVES

We looked to resolve the following challenges:

- **Legacy system**
Multiple complex legacy systems producing data feeds and calculations
- **Manual reporting**
Manual reporting processes to generate portfolio wide exposure reports and deal level summary reports
- **Lack of scalability**
Significant burden on technology team related to managing data integrity, data quality and real time response rates
- **Compliance expertise**
In-house compliance models that needed deep business and technical knowledge to maintain them
- **Manual analytics**
Heavy manual workload on a myriad of analysts and hours of processing required for hypothetical trade testing
- **Operation inefficiencies**
Manual cash reconciliation to tie with pending trade and calculate daily cash positions

THE SOLUTION

Implementation of Moody's CLO Manager Module, a SaaS based, comprehensive solution to manage, analyze, and provide reporting on CLOs.

The implementation was led by Moody's team of experts and included interfacing with positional data from the Client's loan administration system; modeling each CLO's indenture compliance rules and setting up requisite reports.

We worked on the following:

→ **Streamlined operations**

Built fully integrated capabilities for the entirety of the firm, allowing portfolio managers, traders and operations analysts to unite on a single platform

→ **Real time compliance**

Leveraging the visual deal modeling approach, all deal model calculations are now fully traceable and clear which allows for faster response times to internal and external stakeholders

→ **Program scalability**

Enabling organizations to scale their programs by providing a robust, expandable infrastructure

→ **Powerful analytics**

Providing a dynamic user interface with key insights into portfolio, deal and asset level metrics

THE RESULTS

Previously disparate data is now available in a single platform with automated daily processing. We eliminated several previously manual processes by way of standardized reports to enable platform wide exposure, deal level summaries with drill down into compliance tests logic, and more. We improved response time to investor inquires and creation of ad-hoc management reports.

Additionally, there were significant improvements to overall efficiency, including a 16x reduction in time to generate a typical hypothetical trade. Time to reconcile cash and trade positional information were also reduced. CLO Manager Module provided the ability to reallocate in-house technology resources resulting in major opportunity cost improvements.

Some major highlights:

→ **Fast, flexible trade testing**

The hypo trading tool allows the client to allocate multiple trades across one or multiple deals while returning accurate results in a fraction of the time and substantially improving trade execution times

→ **Automated deal and portfolio level reporting**

Out of the box and ad-hoc reporting capabilities allow business users to report at the deal or portfolio level (including portfolio wide exposures) without programming or IT support

→ **Seamless compliance monitoring**

Powerful compliance engine supports even the most complex test types and fully automates compliance results along with drill-through capabilities to support research of out-of-compliance scenarios

→ **Improved response times to investors**

Embedded analytics provide access to key data required to respond to investors quickly and accurately

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