

CDOEdge

A powerful CLO/CDO credit modeling platform

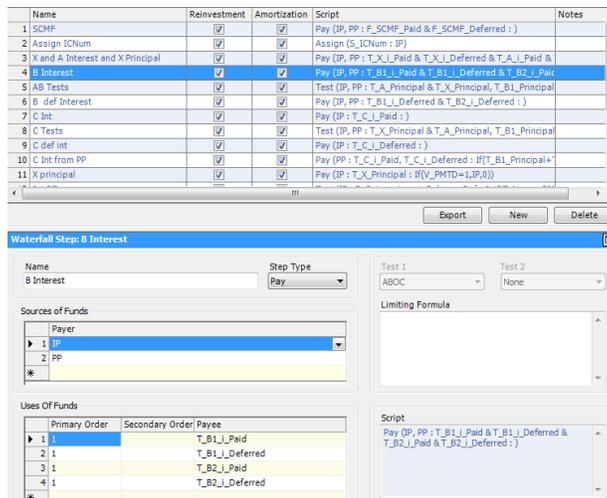
CDOEdge is a comprehensive solution tailored for the dynamic CLO market, allowing professionals to structure, analyze and monitor cashflow transactions with exceptional speed and accuracy. Simulating Moody's Ratings quantitative approach to CLO transaction ratings, CDOEdge equips users to effectively evaluate collateral changes, market conditions, risks and conduct thorough due diligence. Widely adopted by leading global banks, the platform's intuitive interface and advanced optimization tools make it an indispensable resource for CLO structurers, managers, and underwriters seeking to understand credit ratings and transaction analysis in depth.

CDOEDGE CORE FUNCTIONALITIES

Structured Engine and Waterfall

The Waterfall brings together the tranche, fee, hedge, and OC/IC test modules from the structure and allows users to define how cash moves through a deal. Waterfalls steps are presented through a clear, intuitive point-and-click interface where users can:

- Create and modify any structures or waterfalls including multi-currency transactions
- Run cashflows through the structure engine faster-than-Excel
- Incorporate reinvestment assumptions



Binomial Analytics

Two distinct binomial methods offer comprehensive analytical perspectives for single- and multi-currency deals, incorporating various interest rate scenarios and default timing profiles.

- Automatically create cashflow groups based on covenant matrices
- Estimate ratings of potential structures based on expected loss
- Quickly analyze the impact of collateral and/or any structural changes
- Implement internal ratings-based approaches
- Perform ratings-based analysis of transactions in the secondary market
- Provide cashflow analytics with varying levels of detail
- Export cashflow details into Excel to perform further analysis

The screenshot displays the 'Binomial Summary' configuration window. It includes sections for 'Default Timing Profile' (Profiles 1-6), 'Interest Rate Scenario' (Forward, Fwd -1 Std, Fwd -2 Std, Fwd +1 Std, Fwd +2 Std), and 'Binomial Group Parameters' (Binomial Group, Diversity Score, Adjusted Default Prob.). Other settings include 'WAL/Reinvestment Methodology' (European), 'Expected Loss Methodology' (CDO), 'Dataset Item' (WA Loss StDev), and 'Model Run Mode' (Issuance). A 'Report' section at the bottom shows a table with columns for 'All Scenarios - Multiple Tranches', 'Tranche A_1A', 'Tranche A_1B', 'Tranche B', and 'Tranche C'. The table lists various metrics such as 'Calibrated EL Rating - Model Indicative Outcome', 'WA EL %', 'WA EL Target', 'WA Geomean Target', 'Current Rating', 'Target Rating', 'Par Haircut', 'Zero-Default WAL', 'WA Loss StDev', 'Moody's Metrics', and 'Run Mode'.

The screenshot shows the 'Binomial Matrix Results' window. At the top, it indicates 'Apply Matrix to: All Cashflow Groups', 'EL Methodology: CDO', and 'Structured Note Rating Type: Hurdle'. Below this is a table with columns for 'Binomial Portfolio(s)', 'Tranche(s)', 'Portfolio Characteristics', 'Fixed Cashflow Groups', and 'Floating Cashflow Groups'. The 'Portfolio Characteristics' table has columns: MAC, Diversity, WARF, Par, WAC, WARR, Par, WARR, WAS LIBOR, WAS TRFR, WAS OVERNIGHT ADV, and WAS OVERNIGHT. The 'Binomial Matrix Results' table at the bottom has columns: Portfolio, Tranches, Current Rating, Target Rating, Par Haircut, Zero Default WAL, WAEL, WAEL Hurdle, Pass/Fail EL Hurdle, Count EL Hurdle Fails, and WA Geomean. The data row shows: 1 | 100% Floating 2.5Y-43.0 RR | A_1A | Aaa | Aaa | 0.00% | 7.5495 | 0.0000% | 0.0033% | Pass | 0 | 0.0105%.

Optimization and WARF Sensitivity Analysis

Optimizer function within CDOEdge allows users to optimize key deal parameters, such as tranche balances, spreads and coupons, as well as collateral covenant and asset quality matrices, and overcollateralization levels.

Main

Optimization Assumption

Portfolio: 100% Floating 2.5Y- 43.0 R Solve For: Matrix Tranches To Solve: All

Minimum Balance Increment: 50,000.00 **Solve** **Export** Create new po

Capital Structure

Class Name	Current Balance	Rating	Par Haircut	Coupon Type	Spread/Coupon	New Balance	New Spread/C
X	\$0.00	<input type="checkbox"/> Aaa	<input type="checkbox"/> 0.00%	Fixed	0.0000%	<input type="checkbox"/>	
A_1A	\$279,000,000.00	<input type="checkbox"/> Aaa	<input type="checkbox"/> 0.00%	Floating	1.3100%	<input type="checkbox"/>	
A_1A_F	\$0.00	<input type="checkbox"/> Aaa	<input type="checkbox"/> 0.00%	Fixed	0.0000%	<input type="checkbox"/>	
A_1B	\$15,750,000.00	<input type="checkbox"/> Aaa	<input type="checkbox"/> 0.00%	Floating	1.6000%	<input type="checkbox"/>	
A_1B_F	\$0.00	<input type="checkbox"/> Aaa	<input type="checkbox"/> 0.00%	Fixed	0.0000%	<input type="checkbox"/>	
D_F	\$0.00	<input type="checkbox"/> Ba3	<input type="checkbox"/> 0.00%	Fixed	0.0000%	<input type="checkbox"/>	

Overcollateralization Tests

Basic Note Information

Test Name	Current Level	New Level	Min Level	Max Level	Increment
AOC	145.67%	<input type="checkbox"/>			
BOC	115.46%	<input type="checkbox"/>			
COC	108.29%	<input type="checkbox"/>			
DOC	104.99%	<input type="checkbox"/>			
IDT	105.49%	<input type="checkbox"/>			

Collateral

Basic Portfolio Information

Current Balance	WARF	Diversity	WAS	WAC	New WARF
\$450,000,000.00	2900	70	3.25%		

Matrix Assumptions

	Min	Max	Increment	Steps	Min
Diversity	70	80	10	2	WAC
WAS					
LIBOR					USER1
TRFR / ADJ	3.25%	4.25%	1.00%	2	USER2
OVERNIGHT ADV / ADJ					
OVERNIGHT ARR / ADJ					

#	WARF	Diversity	WAC	LIBOR	TRFR / ADJ	OVERNIGHT ADV / ADJ	OVERNIGHT ARR / ADJ	USER1	USER2

Additionally, it provides robust Weighted Average Rating Factor (WARF) sensitivity analysis, enabling users to evaluate the impact of WARF changes on tranches' implied ratings, ensuring comprehensive risk assessment and strategic decision-making.

Portfolio Name	Base WARF	Adjusted WARF	% Change	Portfolio Default Probability (Base WARF)	Portfolio Default Probability (Adjusted WARF)	Tranche Name	(A) Target Rating (Base WARF)	(B) Calibrated Rating (Base WARF)	(C) Calibrated Rating (Adjusted WARF)	# of Notches Between (A) and (C)	# of Notches Between (B) and (C)
Benchmark - Optimized Balance	2750	3163	15 %	25.6874 %	29.6889 %	A	Aaa	Aaa	Aa1	-1	-1
Benchmark - Optimized Balance	2750	3163	15 %	25.6874 %	29.6889 %	B1	Aa2	Aa2	A1	-2	-2
Benchmark - Optimized Balance	2750	3163	15 %	25.6874 %	29.6889 %	B2	Aa2	Aa2	A1	-2	-2
Benchmark - Optimized Balance	2750	3163	15 %	25.6874 %	29.6889 %	C	Ba1	Ba1	Ba2	-1	-1
Benchmark - Optimized Balance	2750	3163	15 %	25.6874 %	29.6889 %	X	Aaa	Aaa	Aaa	0	0

CDOEdge Enhanced API

The CDOEdge Enhanced API empowers users to seamlessly combine and integrate their analytics, eliminating the need to run multiple models. Its intuitive design enables efficient integration with clients' internal tools, leveraging CDOEdge's advanced cashflow engine for enhanced analysis. The API provides developers with full access to the essential functionalities of the CDOEdge application, ensuring flexibility for custom solutions.

Streamline your CLO cashflow analysis with CDOEdge, enabling you to assess collateral and market condition changes, mitigate risks, and make informed decisions faster. CDOEdge streamlines complex workflows, providing the tools you need for precise, data-driven insights for efficient execution.

MOODY'S

CONTACT US

AMERICAS

+1.212.553.1653
clientservices@moodys.com

EMEA

+44.20.7772.5454
clientservices.emea@moodys.com

ASIA (Excluding Japan)

+852.3551.3077
clientservices.asia@moodys.com

JAPAN

+81.3.5408.4100
clientservices.japan@moodys.com