Visible Value: The Impact of Secondary Market Visibility on New Issue CLO Pricing

Webinar, October 30, 2025

Entegra LLC

Integrated Trading Solutions
for Modern Global Finance

ENTEGRA

Presenter Bios

Daniel Ezra, Entegra

Founder/CEO

Daniel brings over 25 years of experience in Securitized Products (SP) trading, including leading the SP business at Credit Suisse. He captained Harvard's squash team to four national titles and earned Hall of Fame honors in 2013 and 2019.

Vlad Muste, Entegra

Head of Capital Markets and Quantitative Initiatives

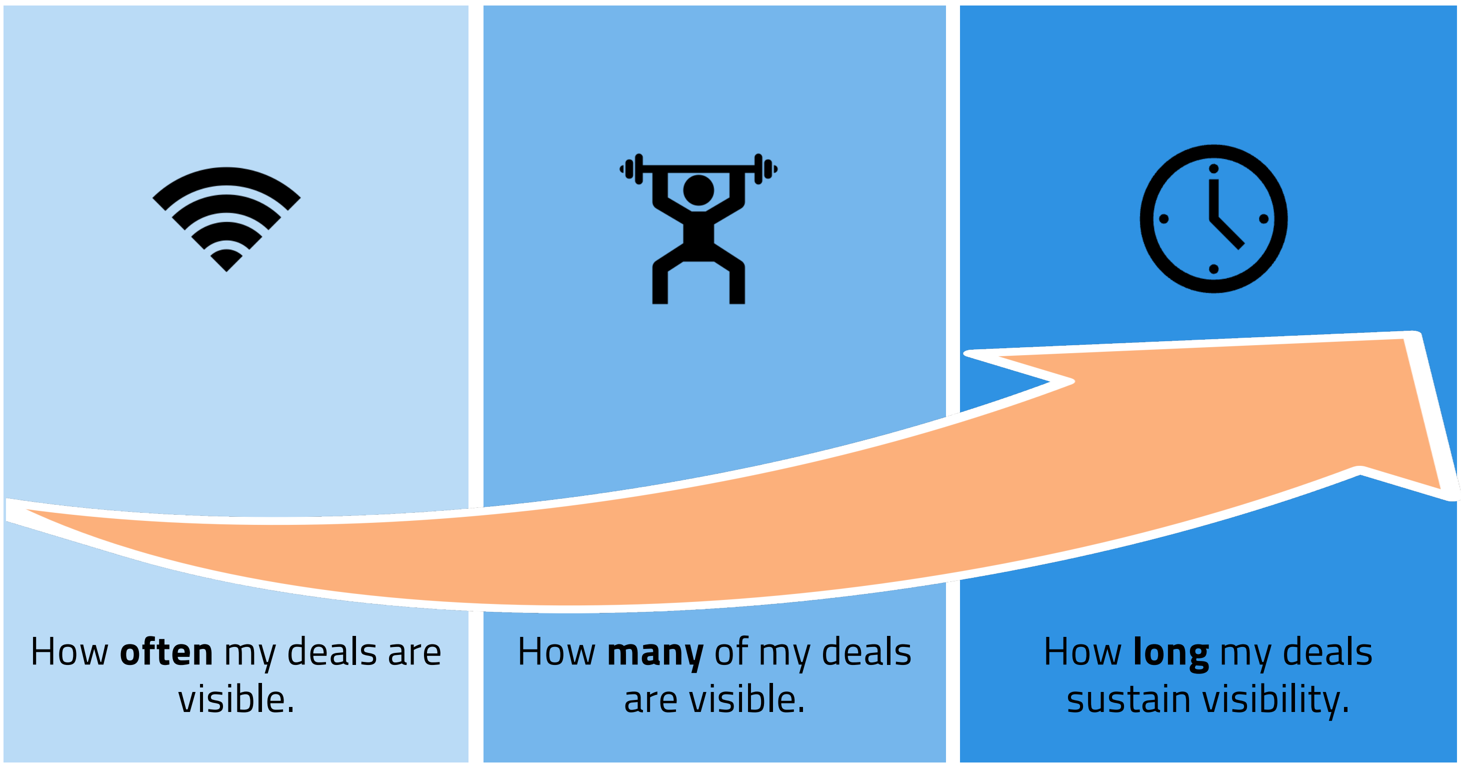
Vlad brings nearly 20 years of experience in structured products trading and investing across discretionary and quantitative strategies.

Craig Wagner, Solve

SVP of Sales

Craig brings 20 years of experience in Fixed Income, Structured Credit, Corporates, CDS and Municipals.

What is Visibility and why is it important?



Visibility is emerging as the currency of liquidity and the ability to build scale.

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We started by measuring Visibility Per Deal…

Illustrative Example: MAGNE 2025-45

Wednesday, October 1, 2025	Thursday, October 16, 2025	Friday, October 31, 2025
PRICE TALK	*No activity*	**OFFER** **BID**
$V_{\text{security, day}} = 1$	$V_{\text{security, day}} = 0$	$V_{\text{security, day}} = 1$

Daily Secondary Market Visibility per Deal
over 3m, 6m or 1y

…to see the effect of visibility per outstanding deal on forward pricing, regardless of deals under management

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We also measured a manager's <u>Daily Visibility Share</u> over various windows of time…

Illustrative Example:

Weds, October 1, 2025	…	Thurs, October 16, 2025	Fri, October 31, 2025
MENLO 2025-2 A		MENLO 2025-3 D	MENLO 2024-1 A1
BRYPK 2023-20 CR		MENLO 2025-2 C	MAGNE 2023-37 C
MAGNE 2025-45 A1		MAGNE 2020-26 BR2	
MAGNE 2025-43 F		MAGNE 2025-45 E	
MAGNE 2025-45 E			

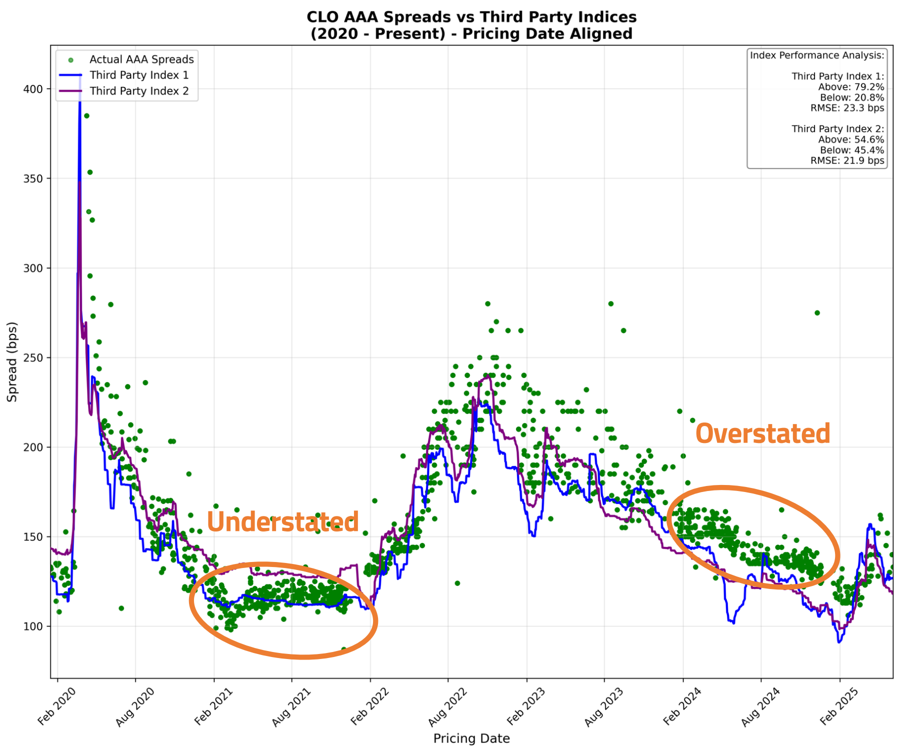
Permira = 20%	*Permira = 50%*	*Permira = 50%*
Marathon = 20%	*Marathon = 0%*	*Marathon = 0%*
Blackrock = 60%	*Blackrock = 50%*	*Blackrock = 50%*

<u>Average Daily Visibility Share</u> over 3m, 6m, 1y per manager

…to see whether managers with more visibility <u>and</u> more deals under management receive better deal pricing

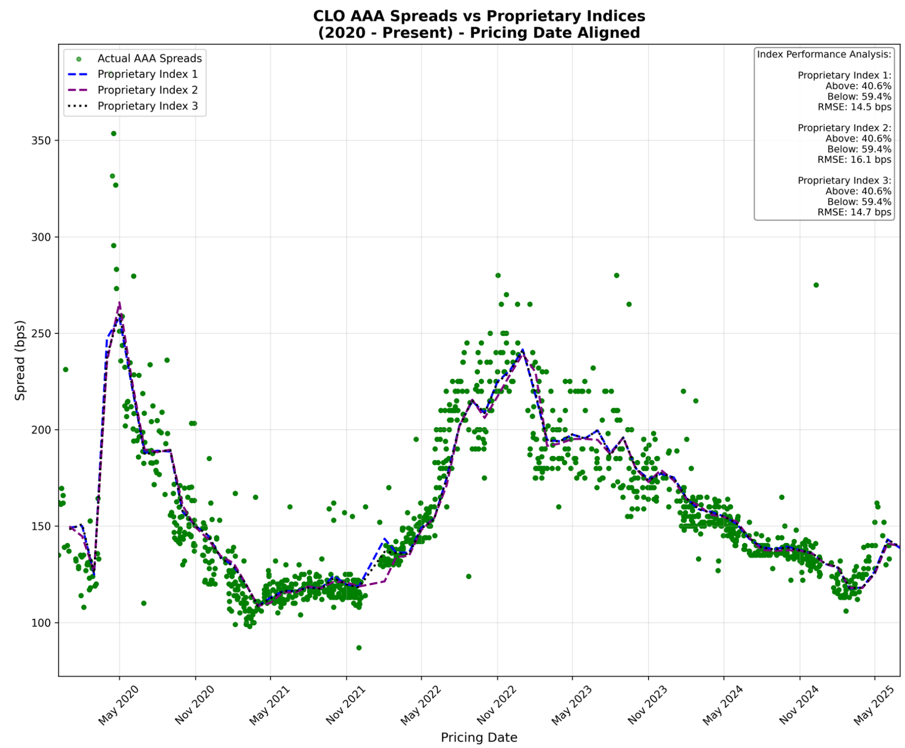
To examine the impact of visibility on spreads, we also needed quality benchmarks

Initially, we looked at third party benchmark fit against observed pricing data…



…but found persistent gaps that may over/understate market levels

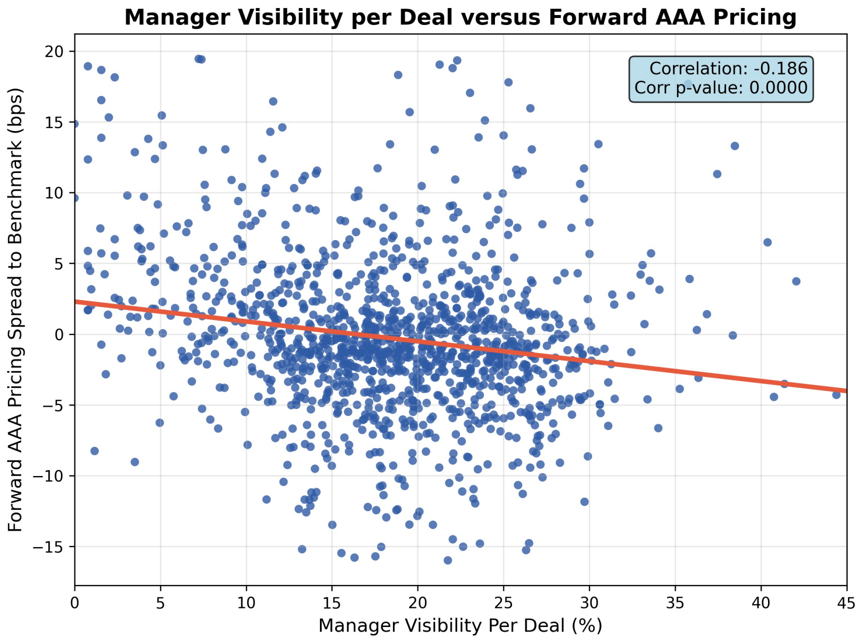
Instead, we constructed proprietary benchmarks…



…to minimize bias and distortions from benchmark fit

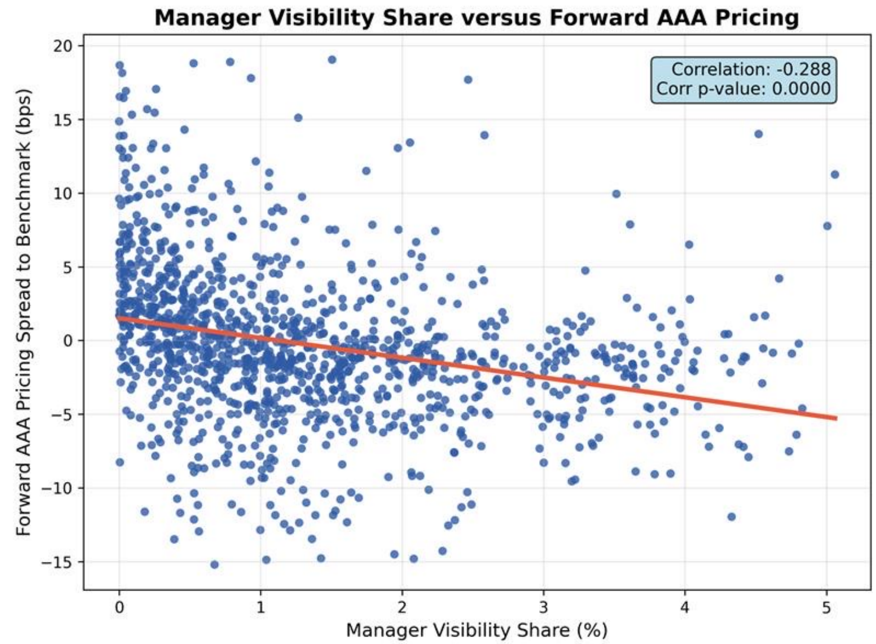
Visibility correlates to future pricing strength…

Visibility Per Deal for a single CLO Deal is ~20% correlated to future new issue price levels



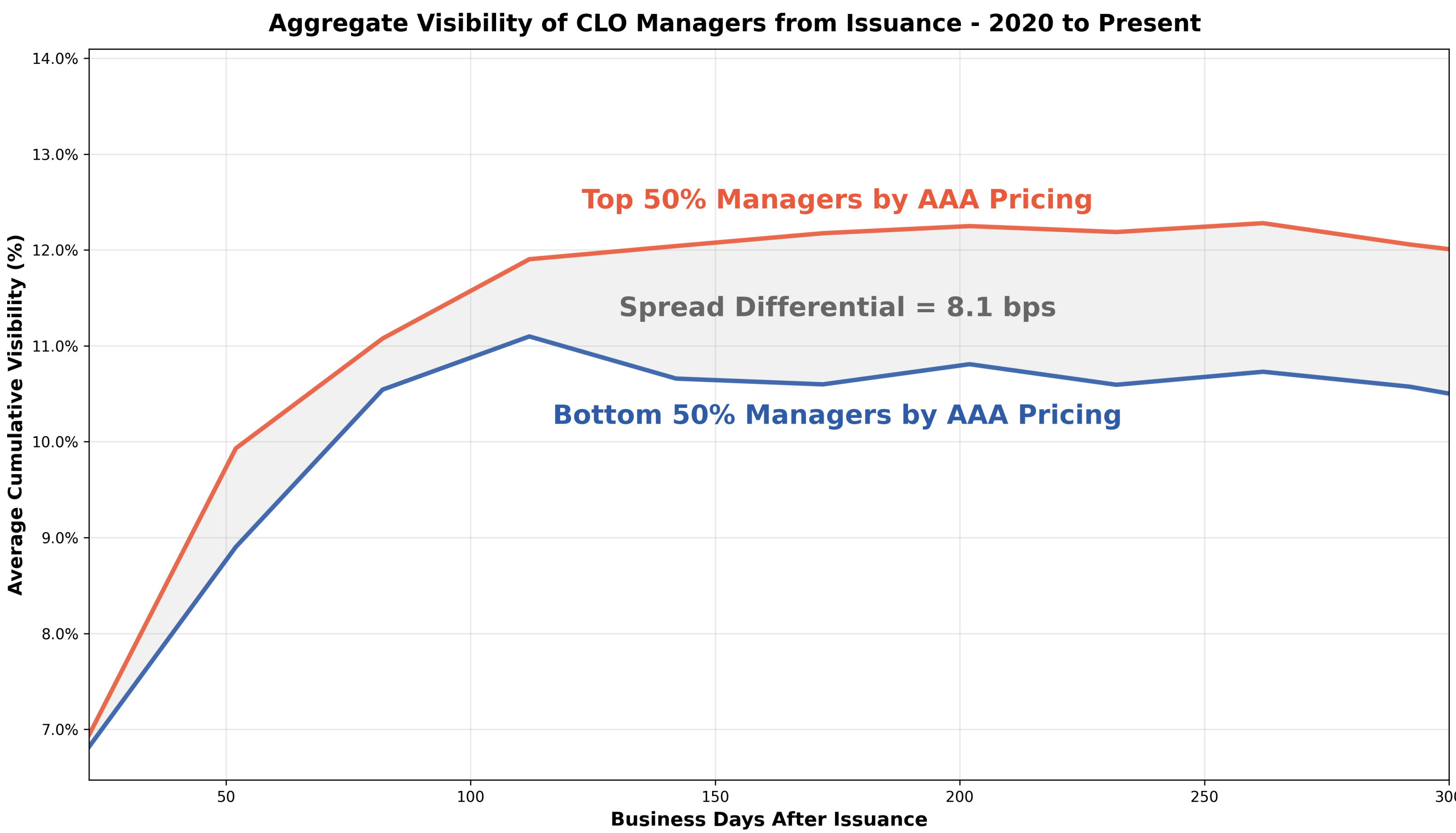
6 Month/6Month: Visibility Per Deal vs. Forward New Issue Pricing

Daily Visibility Share for a CLO platform is ~30% correlated to future new issue price levels



6 Month/6Month: Daily Visibility Share vs. Forward New Issue Pricing

We observed that deals which price tighter at launch...



...also sustain better visibility over time.

Our study helps us to conclude that there is a relationship between secondary market visibility through…

Frequency: The more often a deal appears in the market, the more likely future deals price tighter

✓ Visibility on an individual-deal basis enhances future deal pricing

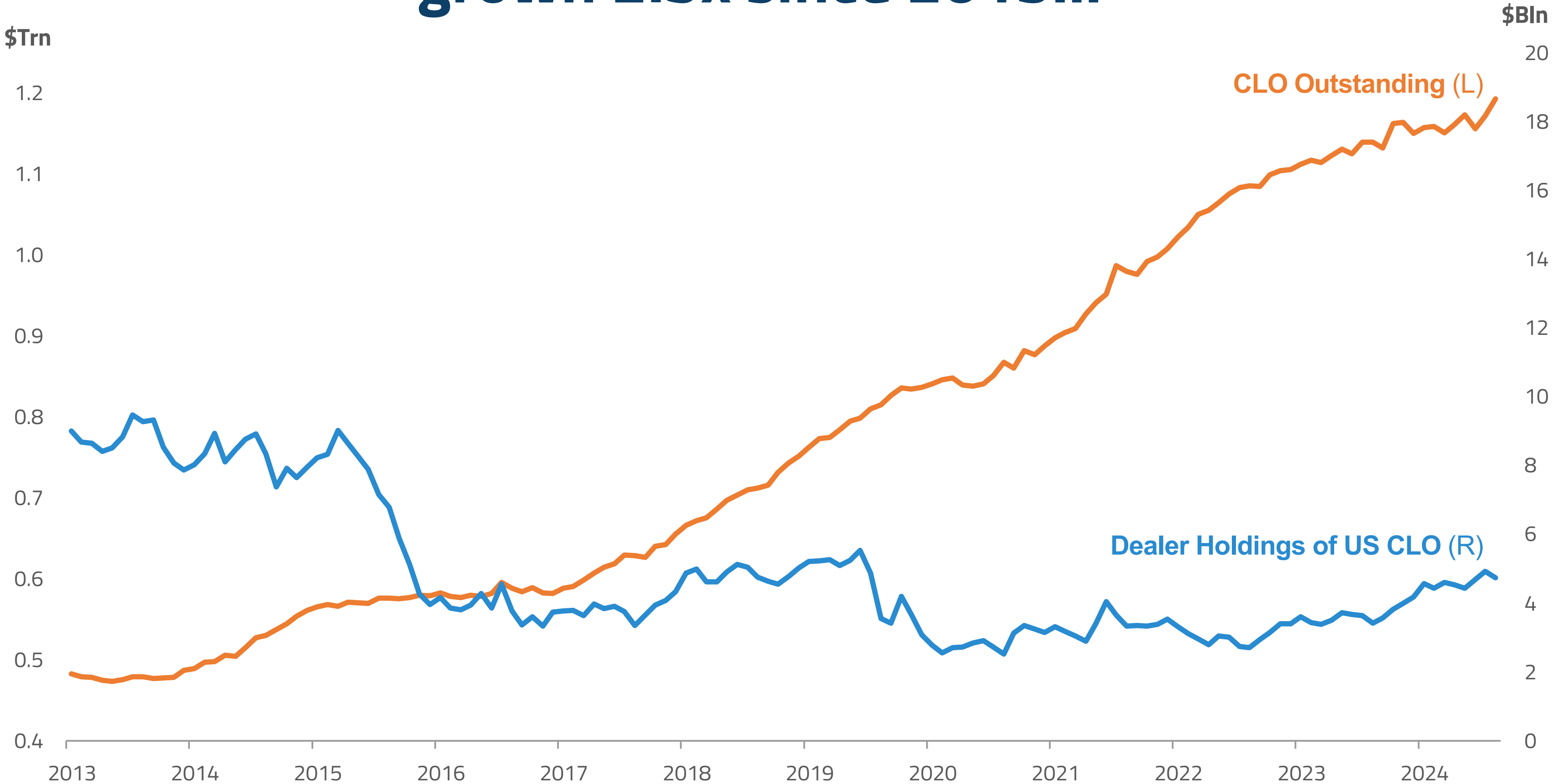
Intensity: Broad visibility across multiple deals amplifies pricing strength of future transactions

✓ Visibility across a manager's platform is additive to future pricing power

Duration: Continuous market presence compounds liquidity and strengthens future pricing

✓ Visibility over time and across deals is a force multiplier for the manager's platform

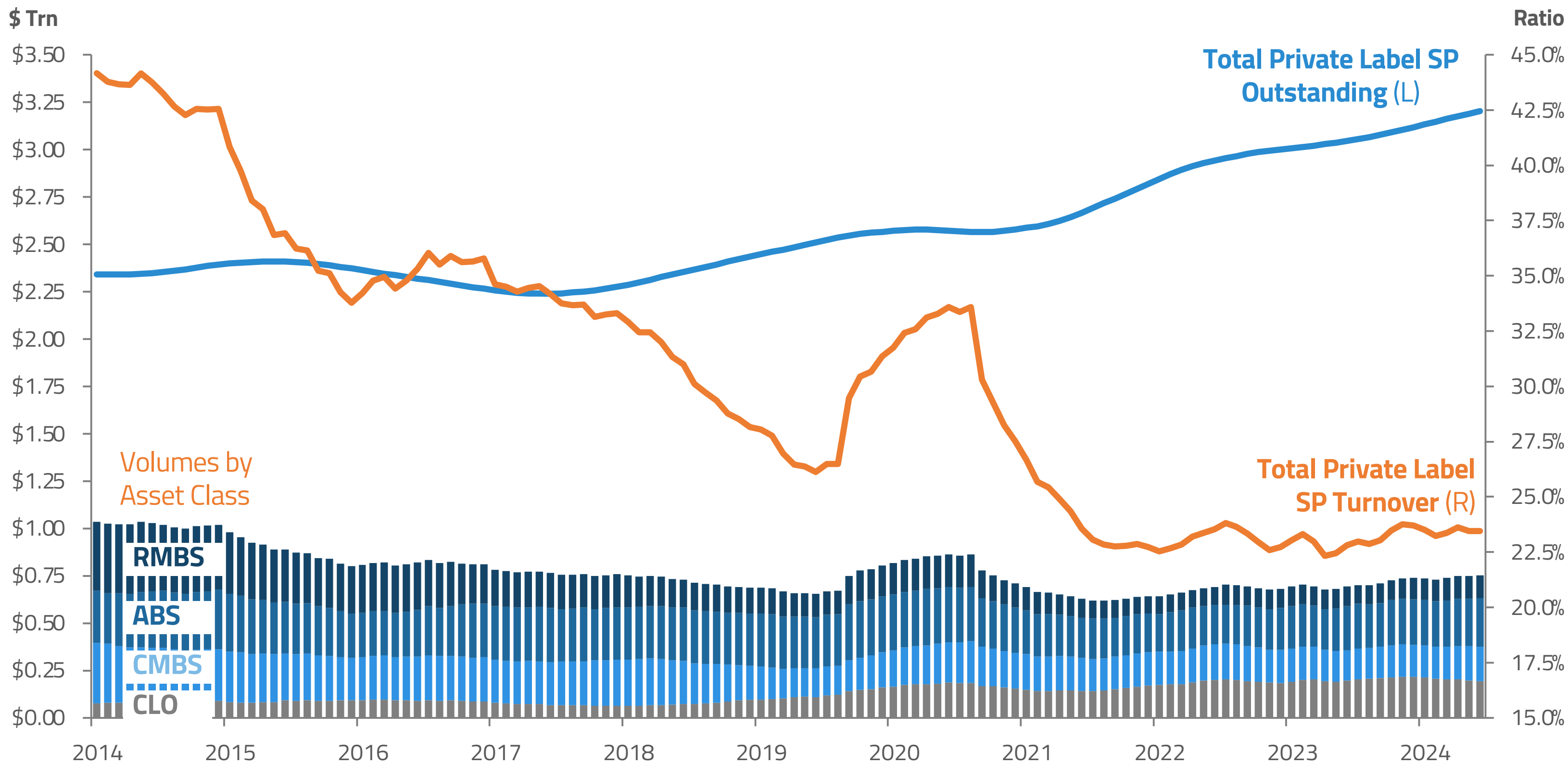
Disappearing Dealers highlighted that the CLO market has grown 2.5x since 2013…



Source: Creditflux, Disappearing Dealers

…while dealer balance sheets have declined by ~50%

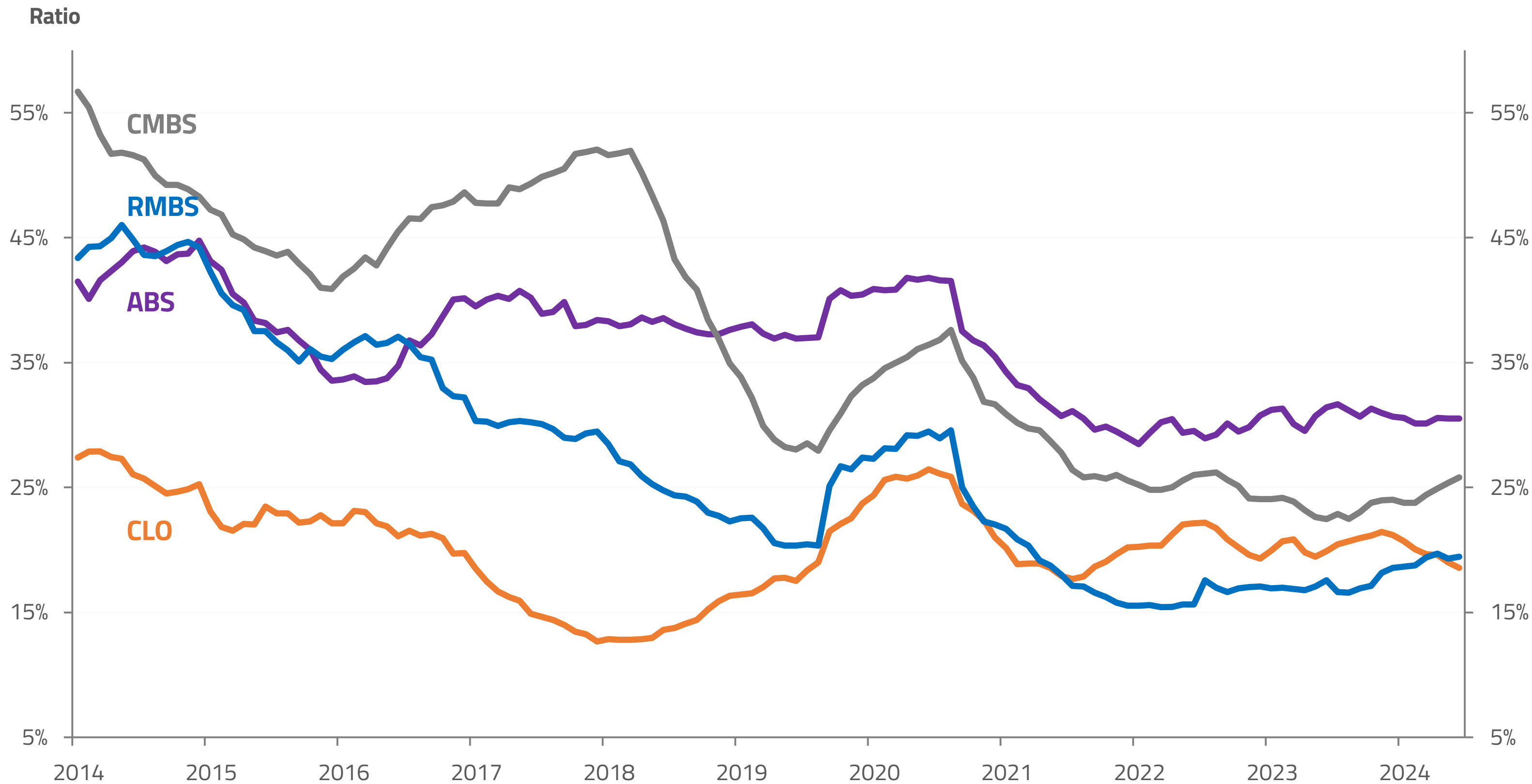
Vanishing Volumes showed that trading turnover halved since 2014...



Source: Creditflux, Vanishing Volumes

...leaving many managers struggling to attract visibility

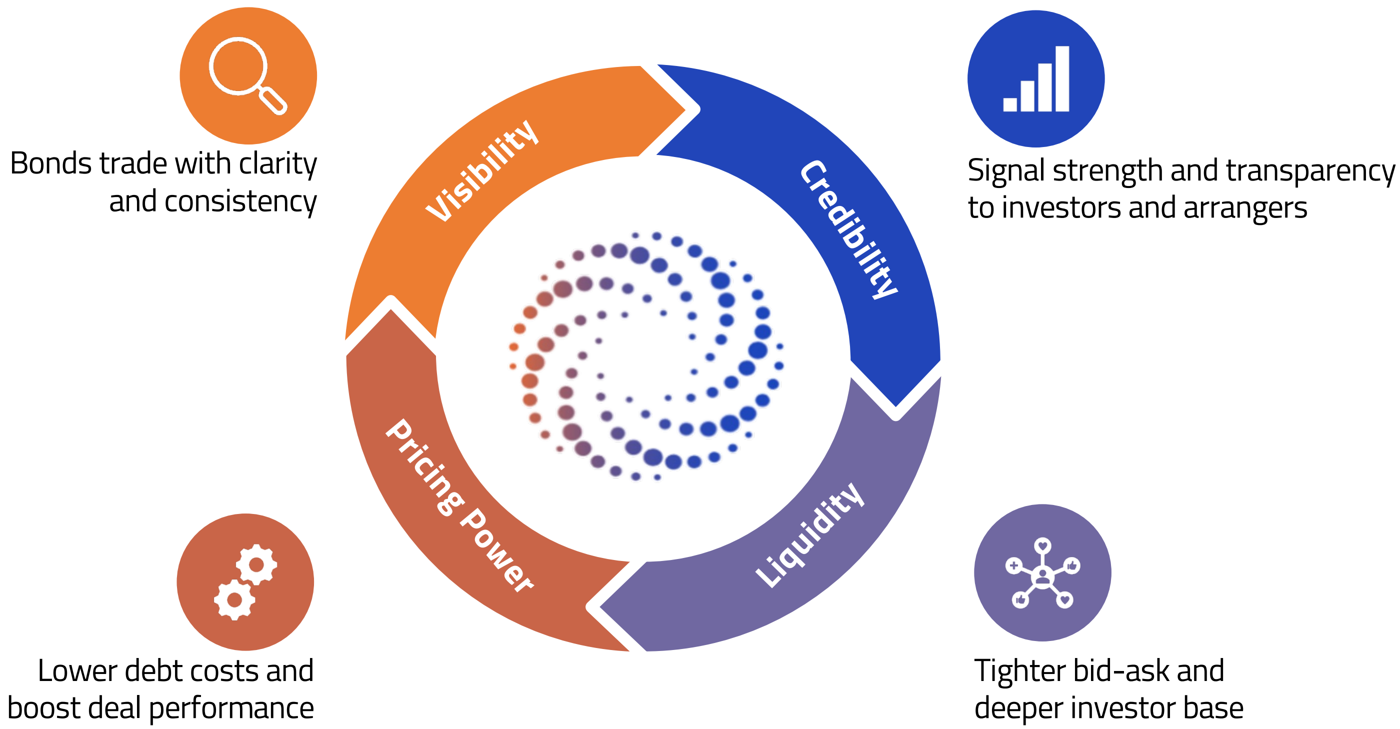
Since 2014 all asset classes have experienced a lower trading turnover…



Source: Creditflux, Vanishing Volumes

…which has widened the liquidity gap between managers

Visibility should be used as a strategic tool by CLO Managers…



…to tighten pricing and sustain scalable platforms

Quantify the pricing value you could capture with secondary support...

Grab your CLO Visibility Report → **info@entegra-global.com**

...and what this means in Dollars and Cents

Entegra Value Framework - Manager XYZ

Manager Metrics	2025-YTD	Decile Rank
Visibility Per Deal	10.44%	4.1 (Top 41%)
Daily Visibility Share	0.46%	5.6 (Top 56%)

Manager Metrics	2025-YTD	Decile Rank
AAA Pricing Spread to Benchmark	+2.75 bps	8.1 (Top 81%)
AAA Pricing - Top Decile	-6.05 bps	Top 10%
AAA Pricing vs. Top Decile of Pricing	8.8 bps	

	$/Count	% Market Share
Assets Under Management	$5,090,000,000	5.36%
Deals Under Managerment	12	1.09%

Visible Value			
Current (VpD)	Visibility => (+1) Decile	Visibility => Top 20 Avg.	Visibility => Top 10 Avg.
10.44%	2.10%	6.40%	12.80%
Cost of Debt			
Regression Implied Spread Improvement			
Low Range*	1.5	2.3	3.3
High Range*	2.7	5.1	5.7

Confidence Band	Visibility => (+1) Decile	Visibility => Top 20 Avg.	Visibility => Top 10 Avg.
Low Range*	$3,817,500	$5,726,250	$8,398,500
High Range*	$6,871,500	$12,979,500	$14,506,500

Implied $ Savings...at no additional Cost to You!

Expected	**$5,344,500**	**$9,352,875**	**$11,452,500**

**1 Sigma Confidence Forward Pricing Spread*

Get a copy of your own CLO Visibility Report:

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