

Palmer Square Indices Summary Overview



Palmer Square CLO Senior Debt Index (CLOSE)

Palmer Square CLO Debt Index (CLODI)

December 29, 2017

Overview:

The Palmer Square CLO Senior Debt Index (ticker: CLOSE) and Palmer Square CLO Debt Index (ticker: CLODI) seek to reflect the investable universe for U.S. dollar denominated collateralized loan obligations ("CLOs"). CLOSE is comprised of original rated AAA and AA debt issued after January 1, 2009 subject to certain inclusion criteria, and CLODI is comprised of original rated A, BBB, and BB debt issued after January 1, 2009 subject to certain inclusion criteria. Please contact Palmer Square for more information on the methodology and inclusion criteria.

Index Constituents and Guidelines:

Both indices are comprised solely of cash and arbitrage CLOs backed by broadly syndicated leveraged loans. CLOs that do not fit these criteria include Middle-Market CLOs, ABS CDOs, Emerging Market CLOs, and Balance Sheet CLOs. Please contact Palmer Square for more information on the methodology and inclusion criteria.

Exhibit 1: Par amount and market value of each index.

| | # of CUSIPs | Par Amount (\$bn) | Market Value (%) |
|-------|-------------|-------------------|------------------|
| CLOSE | 220 | 57.31 | 100% |
| AAA | 110 | 49.00 | 85.5% |
| AA | 110 | 8.31 | 14.5% |

| | # of CUSIPs | Par Amount (\$bn) | Market Value (%) |
|-------|-------------|-------------------|------------------|
| CLODI | 330 | 13.31 | 100% |
| A | 110 | 5.04 | 37.8% |
| BBB | 110 | 4.61 | 34.7% |
| BB | 110 | 3.66 | 27.5% |

Exhibit 2: Summary of index inclusion criteria. Please refer to the methodology for more detail.

| Inclusion Criteria: | CLOSE |
|---------------------------------|--|
| Currency Requirements | USD |
| INSTRUMENT REQUIREMENTS: | |
| CLO Type | Arbitrage only |
| Minimum Deal Size | \$600 million for deal issued Jan 1, 2009 - Dec 31, 2012 |
| Minimum Deal Size | \$500 million for deal issued Dec 31, 2012 - current |
| Maturity Requirement | No WAL Limit |
| Manager Requirements | ≥ 3 deals issued |
| Coupon Type | Floating |
| Issue Date | After Jan 1, 2009 |
| Weighting | Market Value |
| Diversity Score | ≥ 45 during reinv period |

Addition/Removal of Instruments:

Both indices will be rebalanced at the close of the last business day of each month, following the U.S. holiday calendar. Deals will be added or removed based on our inclusion criteria listed above. In the event of a full call or refinancing, the removal of instruments will be removed on the final payment date. In the event of default, the CUSIP will be removed from the index.

Daily Production:

The NYSE is the calculation agent for both indices and will distribute daily total return levels following the U.S. bond market holiday schedule. Index levels should be available by the close of business (5:00 P.M. Eastern Standard Time).

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