

Palmer Square Prices Second \$1 Billion Static CLO of 2021

September 2021

Palmer Square Becomes Largest CLO Issuer of 2021 After \$1 Billion Deal

Palmer Square is proud to announce the pricing of the Firm's second \$1 billion U.S. Static CLO, PSTAT 2021-4. This will mark the fourth U.S. Static CLO issued by Palmer Square in 2021, and will bring the Firm's YTD issuance volume to \$4.9 billion.

The deal marks the tenth CLO Palmer Square has issued in 2021, building on the success and achievements of the Firm's platform in 2020:

- Palmer Square was the #1 global issuer of CLOs by number of deals and issuance volume¹
- Palmer Square was one of only nine managers with no CLO debt downgrades across outstanding deals²
 - » Palmer Square also had the most outstanding deals among this group
- Palmer Square's Static Platform was rewarded for strong 2020 performance in January of 2021, where 83% of outstanding rated tranches were upgraded³

The pricing of this transaction also moves Palmer Square to the #1 global issuer of CLOs by number of deals and issuance volume in 2021.⁴

Below, we include information on the capital stack for PSTAT 2021-4:

Palmer Square believes the size of the deal was not only driven by strong institutional demand for high quality, short duration debt with attractive relative yields, but also by an uptick in demand for Static CLO equity from Family Office, High Net Worth, and Wealth Management clients seeking high cash-on-cash returns.

Rating	Principal Amount	Coupon	Price
AAA	\$680,000,000	0.80%	\$100
AA	\$120,000,000	1.40%	\$100
A	\$60,000,000	1.75%	\$100
BBB	\$35,000,000	2.60%	\$100
BB	\$35,000,000	5.00%	\$100
B	\$10,000,000	7.51%	\$98
Equity	\$63,290,000		
Total	\$1,003,000,000		

Source: Palmer Square

"We are so proud to have been able to partner with our cherished clients in this issuance milestone for Palmer Square. The success of our Static Platform and our ability to bring such a large transaction is a testament to the strength, dedication, and expertise of our investment team and firm as a whole," commented Chris Long, Palmer Square's founder and CEO.

¹Source: S&P LCD, Palmer Square. Includes refinance and reset activity.

²Source: Palmer Square. See "2021 Market Update - CLO Downgrade Performance" distribution. See Notes and Disclosure for more information.

³Source: Palmer Square, Fitch, Standard & Poors. As of 1/29/2021.

⁴Source: S&P LCD, Palmer Square, as of 9/22/2021.

About Palmer Square

Founded in 2009 and based right outside of Kansas City, Palmer Square manages approximately \$17.5 billion in fixed income/credit investments on behalf of a diverse client base inclusive of institutional investors, wealth management firms, and high net worth individuals (as of 8/31/2021). The firm offers mutual funds, separately managed accounts, and private partnerships (including investments focused on the CLO market).

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For the CLO debt downgrade data provided for 2020, this only includes managers having issued 3 or more CLOs since 01/01/2012, at least one CLO must have been issued 2016 or earlier, and none of the manager's CLOs since 01/01/2020 have been downgraded. Out of 128 CLO managers, only the 9 managers meet the criteria.

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