MAPLES GROUP

The CLOser

AN INDUSTRY NEWSLETTER FOR THE GLOBAL CLO MARKET
SEPTEMBER 2019

The MASCOT Feature
in US CLOs

The New Manager Landscape

Your Global CLO Team
A CLOser Look

Your Maples Group global CLO team provides Cayman Islands and Irish legal advice and CLO issuer / co-issuer fiduciary services in the Cayman Islands, Delaware, Dublin, Jersey, London and the Netherlands.

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[1] Data in this publication is derived from a variety of sources, including the Maples Group, Structured Credit Investor, LCD, Leveraged Loan, Creditflux, Moody's, S&P, Fitch, Irish Stock Exchange and Central Bank of Ireland.

US CLO Market Review

Issuance for the US CLO market for the year to date has been fairly steady notwithstanding a slow start in January.

While the issuance dollar value itself is down by more than US$10 billion (see "highlights" overleaf), the number of priced new issue deals (168) is, in fact, just one less than the number for the same period last year (169) as a result of participants preferring deal size in the US$400-500 million range. Indeed, only one US$1 billion plus deal has priced to date in 2019 (Elmwood CLO II) compared with eight in the same period in 2018. The significant decrease in the number of refinancing and reset deals has also meant that overall market activity has been slower.

Market performance is in line with the banks' predictions for new issuance, which was in the US$100-110 billion range. Banks that predicted US$130 billion and above have revised down predictions to US$115-125 billion. In terms of refi / reset activity, with only just under US$32 billion of issuance year to date, there seems limited chance that the US$100+ billion prediction will be achieved unless AAA pricing comes in to make conditions for refinancing more attractive for the current crop of deals eligible to refinance. As early as the end of January, BAML had reduced their forecast from US$100 billion to US$55 billion, while Wells Fargo revised down its refi / reset forecast from US$100 billion to US$45 billion at the end of Q1 2019.

Four new managers have entered the post-crisis BSL CLO market at the time of writing in 2019: Birch Grove Capital, Elmwood Asset Management, Goldman Sachs Asset Management and Whitebox Capital Management. Audax Management Company, FS KKR Capital, Pennant Park and Owl Rock Capital have also debuted as new 2019 middle market issuers. We are aware of several other debut managers with deals in warehouse or in the process of

Banks' predictions at the start of 2019:

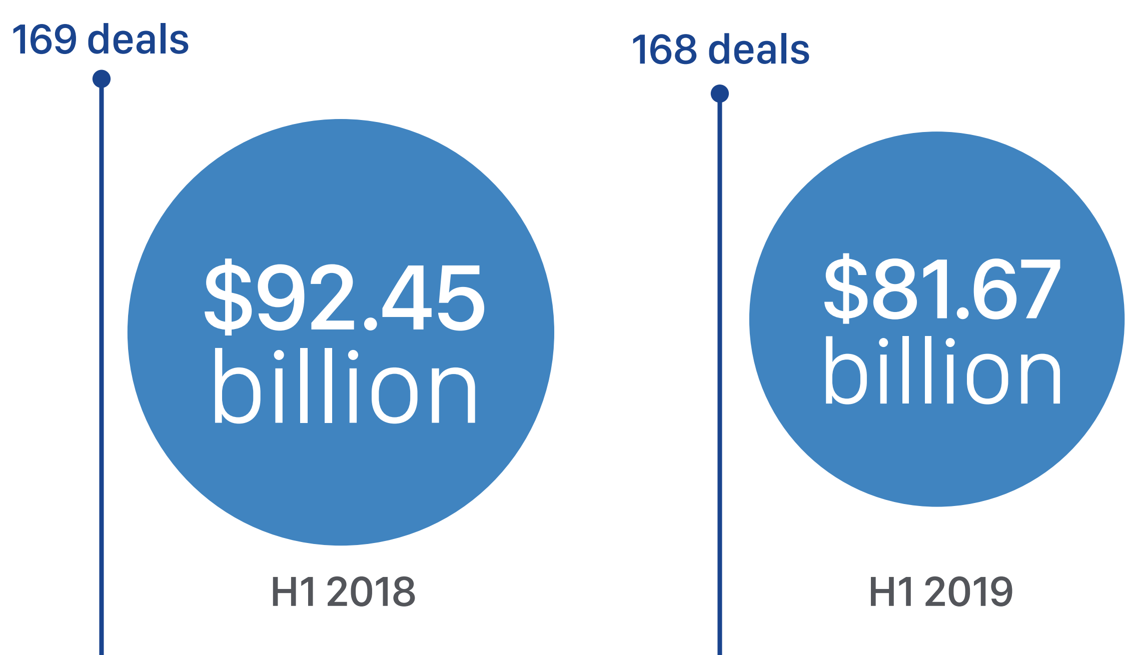
- Bank of America Merrill Lynch: US$105 billion (US$100 billion in refis and resets)
- Deutsche Bank: US$110 billion (US$80 billion in resets, US$40 billion in refis)
- J.P. Morgan: US$130–140 billion (US$100 billion in refis and resets)
- Morgan Stanley: US$90 billion base case (US$30–60 billion in resets)
- Nomura: US$110 billion (US$130 billion in refis and resets)
- Wells Fargo: US$110 billion (US$100 billion in refis and resets)

[2] Sourced from LCD, Wells Fargo reports, Creditflux and SCI.

setting up their management business; clear signs of a continued appetite to launch new CLO businesses. See our article (The New Manager Landscape) on page 19 for further details.

Below are some of the highlights so far for 2019 :

- As at 31 August 2019, US$81.67 billion from 168 deals compared to US$92.45 billion from 169 deals in the same period in 2018. New issue total in 2018 was US$128 billion across 241 deals. Although the number of deals to date is practically on par with last year, and notwithstanding the general uptick seen annually from Labor Day through to Thanksgiving, there would need to be another 73 new issue deals pricing before year end to match 2018 levels.
- Refi and reset activity accounted for another US$39.5 billion in issuance from 70 CLOs in 2019 as at 16 August 2019.
- Over 101 managers have issued a new US CLO (BSL and MM).
- AAA pricing started the year around 130-135bps, followed by a slight increase to the mid to high 130s around the end of Q1, but numbers are now back around the low 130 bps for seasoned managers.
- So far this year, CIFC and Octagon lead the pack as the the most active managers, each having priced 5 new issue CLOs to date.
- In the Cayman Islands we acted on the first US CLO transaction (BCC Middle Market CLO 2019-1) to utilise a Cayman Islands LLC as its issuer and advised in respect of the novel listing of the debt securities on the Cayman Islands Stock Exchange.
- LIBOR / SOFR (Secured Overnight Financing Rate) debate continues but a number of deals have now closed where the documentation includes provisions to transition to SOFR (with a spread adjustment) if LIBOR is no longer the quoted rate.
- We have seen several recent US CLO transactions incorporating a feature known as a modifiable and splittable or combinable tranches (MASCOT) structure – for more on this topic, see the detailed article at page 13.



Overall 2019 Outlook

The remainder of 2019 should continue to be steady with an expectation for increased refi activity, especially in relation to the 2016 CLO vintage, and there is a general view that spreads will tighten somewhat in Q3 and Q4. 2019 will remain a solid year and generally in line with the bank arranger predictions. The solid performance in 2019 is slightly tempered by an expectation that global macroeconomic conditions and increased underlying collateral volatility in 2020 may result in a slowdown.

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European CLO Market Review

2019 Market Activity

2019 has been an unpredictable, but relatively buoyant, year so far. As at the end of August, new issuance stood at €20.15 billion to nudge ahead of the 2018 year-to-date total, with July being a record new issuance month in the 2.0 era with a total of €5.42 billion from 13 deals (the previous monthly record was November 2017, with €4.74 billion issued from 11 deals).

This was despite a slower than usual start to the year, caused by a variety of factors including a frontloading of warehouse openings at the end of 2018 in advance of the EU's Securitisation Regulation coming into force on 1 January, the market's assimilation of that regulation (see below) and market conditions in quarter one, including the then-latest 31 March Brexit deadline date.

In total (as of August), 38 managers have issued 48 new deals with 2019 also being notable for the number of new entrants (including in Q2 alone Fair Oaks, MeDirect, Napier Park and Sound Point). However, refinancing and reset activity has remained subdued, with the equity perhaps less incentivised to incur the costs of these transactions given the record 2.0 low AAA bids on 2017-vintage deals.

Securitisation Regulation – Agreeing a Market Approach

The first quarter of the year saw the European market work out the detail of complying with the transparency and reporting obligations contained in the Securitisation Regulation, applicable to both warehouse and CLO phases alike.

The Regulation requires, among other things, the originator, sponsor and SSPE (i.e. the SPV issuer of the securities) of a securitisation to make available certain information to investors in the securitisation, regulators (known as competent authorities) and, upon request, potential investors. These disclosure requirements include an obligation to make quarterly

[3] Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12th December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

reports in respect of underlying exposures, as well as provide quarterly investor reports. There is also significant event-based ongoing reporting, such as when a material breach of the transaction documents occurs.

Finally, certain information is required to be made available pre-pricing, including advanced drafts of the transaction documents. For warehouses, this has not made much difference given everything occurs on warehouse signing, but for the CLO phase this has resulted in a front-loading of the document negotiation prior to pricing - compared to previous practice where the transaction documents were drafted only after the pricing red was agreed.

In terms of making the required information available, nearly all deals have chosen to list on the Global Exchange Market, rather than producing a prospectus and listing on the Main Securities Market, so that the CLO is a private transaction for the purposes of the Regulation. This means the relevant information does not have to be reported to a securitisation repository (a new creature of the Regulation, which hosts and makes available reportable information in a central and public format). Instead, all reporting is made available via a secure-access website which is typically hosted by the collateral administrator and can be accessed by relevant reporting recipients once information is duly certified in accordance with agreed procedures.

The form of ongoing reporting templates has not been finalised as yet, so an interim reporting regime under a European regulation known as CRA3 applies for the time being. Meanwhile, an industry working group has been analysing the more detailed data fields in the draft Regulation templates to agree consistent market approaches to reporting for the CLO sector, particularly given the templates were built more for primary-originated ABS, taking into account the fact that a CLO manager may have difficulty sourcing certain data for required fields in that context.

In terms of the documentary position, the SSPE has generally accepted legal responsibility to act as the designated reporting entity (as permitted by the Regulation), but it then delegates actual reporting to the collateral administrator, on the basis of an assistance obligation from the collateral manager. It should of course be noted that the sponsor or originator retention holder retains regulatory liability for designated breaches of the Regulation, alongside the SSPE, subject to any contractual allocation of this risk in the deal documents. Much of Q1 was spent agreeing that framework between the SSPE, collateral manager and relevant agents, with market positions on both the operational burden and legal liability now largely agreed. While the collateral administrators have retained a discretion not to perform ongoing reporting upon finalisation of the reporting templates, given the progress made by the market so far on the detail in such reporting, it is not anticipated this risk will materialise in practice.

Outlook for the Remainder of 2019

As the pipeline of open warehouses remains strong, including with new entrant and returning UK, EU and US managers yet to price their first deals, and given the Securitisation Regulation has largely been digested by the market, the outlook for the remainder of the year looks largely to be dependent on economic and market conditions, as well as political events. Of course, a "no-deal" Brexit looms large in the rear-view mirror again and it has been interesting to see some account bank activity migrate to Ireland already in anticipation of this well publicised divorce. After a lull in activity in early August, as we go to press in early September, activity has picked up strongly again, including with respect to refinancing and resets, so it would appear the traditionally hectic run into year end should materialise, capping off another busy year!

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Global Listings Update

Irish Listings Update

During the first half of 2019, 84 CLOs (US and European), comprising new issuances, re-financings and resets, were listed on Euronext Dublin.

Of these listings, 51 were by issuers domiciled in the Cayman Islands. Of the 33 issuances that had European domiciles, 27 were Irish and 6 were Dutch.

Our Dublin office listed 40% of all Euronext Dublin listed CLOs and 55% of all Cayman Islands domiciled issuers listing on Euronext Dublin.

Over the period, all of the Irish listed CLOs opted to list on the Global Exchange Market rather than on Euronext Dublin's regulated market.

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Cayman Islands Listings Update

During the first half of 2019, approximately 26 CLOs comprising new issuances, refinancings and resets, were listed on the Cayman Islands Stock Exchange ("CSX"). Of these listings, 25, or 96%, were by Cayman Islands issuers with a Delaware co-issuer. Our Cayman Islands office listed 62% of all the CSX-listed CLOs and 64% of all Cayman Islands issuers listed on the CSX.

The second half of 2019 is also shaping up for a strong performance with respect to CSX listings, with approximately 13 new issuances, refinancings and resets already listed or in the pipeline to be listed of which we are aware.

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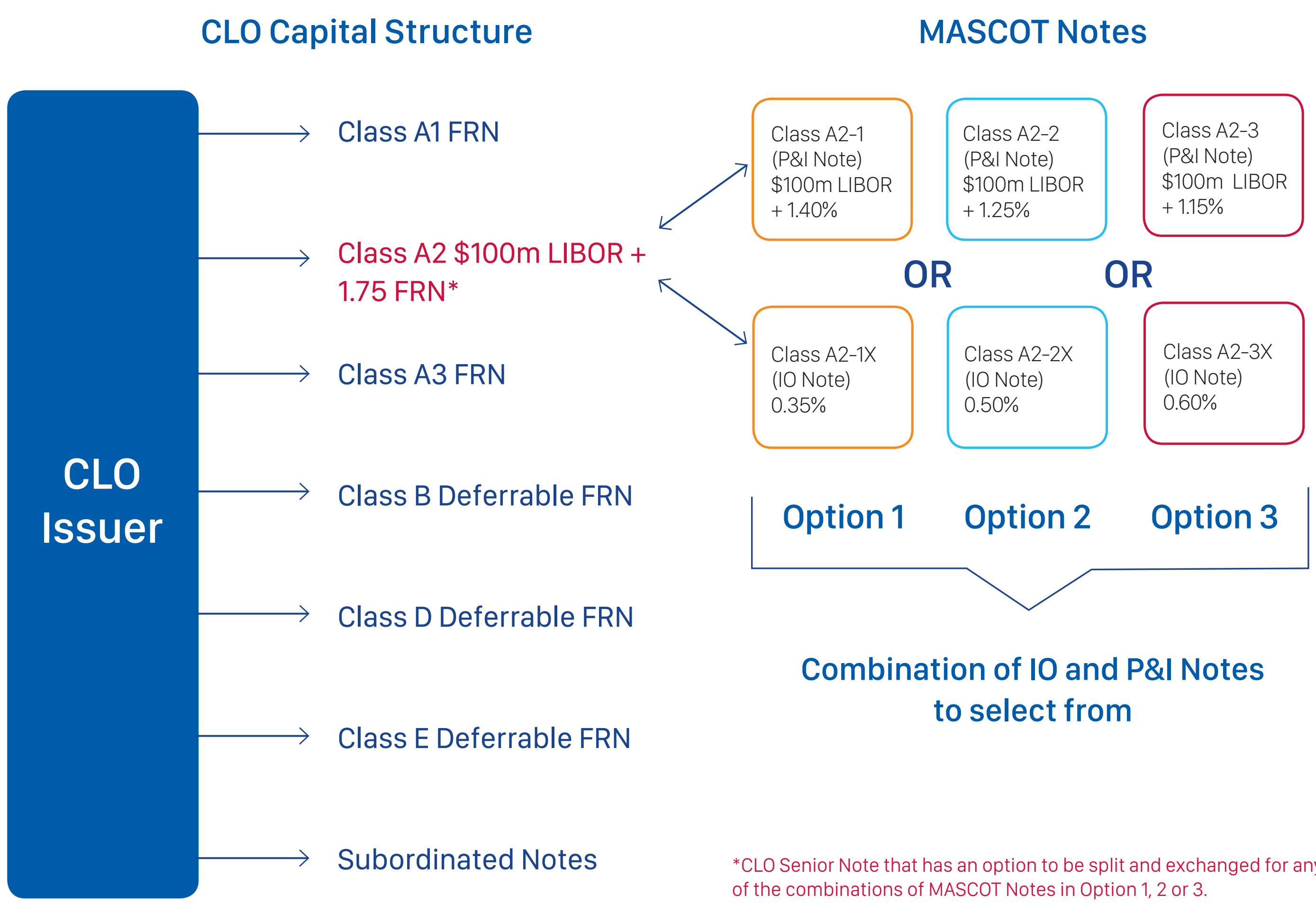
The MASCOT Feature in US CLOs

In recent months a new feature has appeared in the US CLO market which goes by the acronym of MASCOT. "MASCOT" stands for modifiable and splittable or combinable tranches and they have more than a passing resemblance to a feature called "MACR", which stands for modifiable and combinable Remics (where "Remics" stands for real estate mortgage investment conduits, which are special purpose vehicles that sell mortgage bonds). The MACR feature was used in instruments called "strips" that the likes of Salomon Brothers and other banks in the 1980s brought to the US treasury and residential and commercial mortgage-backed bond markets. Strips gave investors in the safest senior part of the capital structure the option to exchange their senior notes for a combination of strips that pay only interest or a strip that pays mostly principal with a little interest.

With risky credit markets and investors wanting shorter investment risk horizons, the CLO market has had to innovate and draw on features more prevalent in other markets. The birth of the MASCOT feature affords investors largely in the senior non-deferrable and deferrable tranches of a CLO (the "Senior CLO Notes") the opportunity to split their Senior CLO Notes and exchange them for a combination of interest-only notes ("IO Notes") and principal and interest notes ("P&I Notes"), which are effectively the "MASCOT Notes" which are given different



*CLO Senior Note that has an option to be split and exchanged for any of the combinations of MASCOT Notes in Option 1, 2 or 3.

names and identifiers. The MASCOT Notes can be exchanged in whole or in part back into the original Senior CLO Notes, if investors so desire. Investors can manage their risk by opting to hold IO Notes in an economic downturn as they become more valuable when credit markets deteriorate and CLO risk premiums (the yield paid over the benchmark rate) get higher and where CLO risk premiums and credit markets narrow, they can opt to hold P&I Notes as the principal portion of the P&I Notes become more attractive.

The Senior CLO Notes and MASCOT Notes are secured on the same collateral pool and the ratings of the MASCOT Notes derive from the ratings of the Senior CLO Notes. Other commercial terms such as the level of subordination, maturity and principal balance, all remain the same before and after exchange.

P&I Notes and IO Notes differ in that typically the P&I Notes rather than the IO Notes carry voting rights. Also the principal balance in a P&I Note and the notional of an IO Note gets deferred if they have been exchanged from a senior deferrable tranche, but are not deferred if they have been exchanged from a senior non-deferrable tranche. P&I Notes and IO Notes otherwise amortise in line with each other during the post re-investment period and also get redeemed together, if called by the equity investors of the CLO.

Proponents of the MASCOT feature claim that that it provides investors with flexibility as they can opt to reconfigure the notes they hold by choosing to exchange Senior CLO Notes for MASCOT Notes or not, in response to market conditions; if they choose to hold MASCOT Notes, they can trade them in the secondary market with the expectation that they may be sold by investors if the MASCOT Notes trade above par during the non-call period. This optionality helps to syndicate new issues, albeit arguably to the same CLO investor base rather than new types of investor; and MASCOT Notes are attractive to investors because they combine flexibility with exposure to short-dated notes with a high yield.

Sceptics of the virtues of the MASCOT feature cite investors being more exposed to losses and point to the early indications that not all is rosy, as reflected in a recent Creditflux article which refers to CLO notes with a MASCOT feature having failed to trade in the secondary market a few days ago and that this was the third time a piece of that tranche was part of a bid list for a bid wanted in competition (BWIC).

It remains to be seen if the MASCOT feature will become commonplace in the US CLO market and if it gets adopted by the European CLO market. As to whether the MASCOT is good or bad for investors, the jury is out. Only time will tell whether this feature deserves the good name the acronym mimics or whether the more cynical market commentators are right, and the MASCOT is not the lucky charm other more optimistic commentators hope it is.

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Amending notice provisions to allow for email

Help save the environment, time and money!

The expanding regulatory landscape in which special purpose vehicles (SPVs) that issue CLOs operate in, brings with it the need for ever more paperwork. When coupled with the sizeable amount of paperwork associated with litigation and settlements that SPVs can become involved with, this has resulted in a surprisingly large uptick in the volume of physical mail being received by fiduciary service providers in the Cayman Islands over the last few years. Literally truckloads.

While the Maples Group has policies and procedures in place to ensure that physical mail is forwarded at the earliest opportunity upon receipt, both physically and electronically by email, to our manager contacts and trustees, it nonetheless remains the case that physical, or "snail", mail can take days, weeks or, in some extreme circumstances, even months to reach our offices in the first place given the vagaries of the international postal service and the natural as well as logistical challenges now facing international mail services.

Given all parties should have aligned interests to send and receive information in the most efficient, timely and cost effective manner, changing notification provisions in CLO documentation to allow for email delivery is in everyone's interests. While legacy deals may have restrictions on amending their notice provisions, taking this step for current and future deals advances the message that we are all responsible for seeking ways to implement measures that are environmentally friendly where we can. Email is also a more timely and efficient means by which to forward information, especially in cases where delivery of that information is time critical. Furthermore, it saves significant associated costs (monetary and environmental) of physical mail that range from postage stamps, envelopes, courier costs, fuel costs (to collect and deliver) as well as the human resources deployed in sorting, scanning and shredding physical mail.

We therefore encourage, wherever possible, that notices and other information be sent to the SPV issuers electronically, either by email or by fax, and that notice provisions in CLO deal documentation going forwards be updated to provide for electronic means of communication only, or by specifying that electronic communication is the preferred means.

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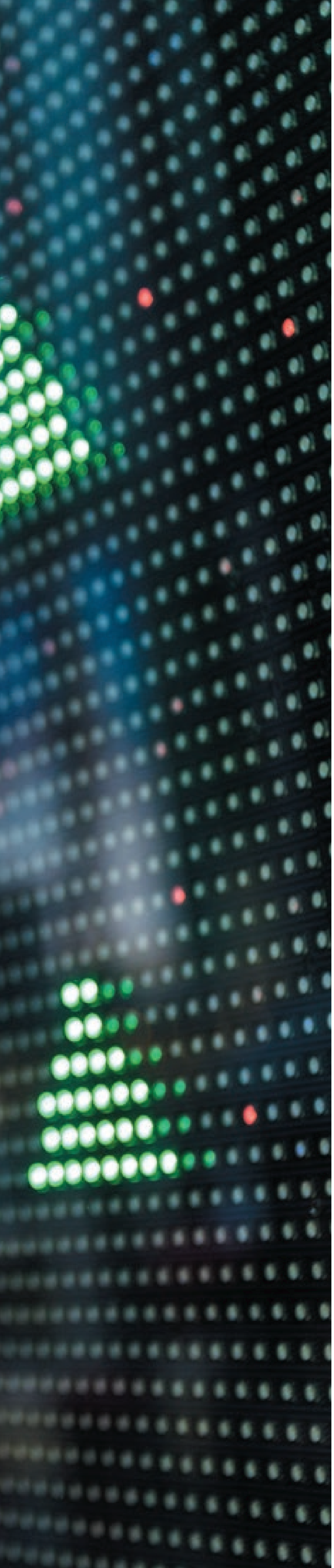

The New Manager Landscape

Economic headwinds, spread volatility and intense competition for loans in a shrinking primary market are perfectly rational reasons to conclude that launching a debut CLO today would be a brave step, however 25 (18 percent) of the 141 managers that have issued a US CLO since January 2018 were new entrants to the market, creating a healthy and diverse landscape that offers investors choice and the opportunity to pinpoint a manager whose investment style and background matches their investment objectives.

There is no doubt that successfully launching a CLO platform comes with significant challenges but the rewards would appear to be worth the risks and the effort given the continued flow of new managers entering the market. One of the main obstacles to launching a CLO platform is sourcing the equity; unless the manager has access to its own source of funding, be it intra group or from other managed funds, they are required to seek backing from a third party investor who is willing to write an equity cheque and who is committed to do so for at least a few deals.

New managers target a minimum of three or four deals to build a track record. Finding that level of early investment commitment has proven particularly challenging according to some of the newer managers that we have spoken to who are all too aware of the catch 22 scenario whereby investors want to see that track record in place before deciding to invest. New entrants recognise that this makes launching a CLO platform extremely difficult because investors are reluctant to invest in an unproven manager where style and performance is unknown and because, more significantly, new managers invariably pay a wider spread penalty

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in comparison to seasoned managers and often need to compromise in other areas such as management fees, to get their first deals away. Other challenges exist in terms of finding the collateral in this mature and highly competitive market. Investors legitimately want to know whether new managers will have the traction to demand allocations when desirable loans are issued. New entrants look to negate these barriers by making key strategic hires from within the CLO market to leverage off existing relationships and experience to bolster credibility in the market.

The appetite however is apparent as we continue to see new managers enter the market. For new managers to be successful, and to attract outside investment and hopefully that key anchor investor who is able to commit to the first three or more deals, they need to be determined and have formulated and be able to communicate a clear strategy for launching their platform. With the volatility currently present in the primary market, part of the conundrum for new managers is trying to time the market in terms of both issuing the transaction and getting investors lined up and ready. They look to have a management and operations structure in place and fully operational and show a long term deal strategy and vision so that they can launch aggressively when the time is right.

This influx of new managers to the market, including the return in the past couple of years to primary of managers that have not issued a new deal since before the financial crisis, augers well for the sector as it continues to demonstrate faith in the CLO product. Reasons for entering the CLO market vary depending upon the types of entrant, be they hedge funds, existing middle market lenders seeing an opportunity to create their own CLO platform, managers created from a buyout situation, insurance firms or a well-established investment firm which sees an opportunity to put some capital to work and to get a better rate of return than they might currently be achieving elsewhere.

88%

88% of all CLO Managers have issued in the US CLO market

53%

53% of all CLO Managers have only issued in the US BSL CLO market

19%

19% of all CLO Managers are middle market CLO Managers

Some interesting statistics emerge when you start to break down activity between US and EU markets.

- 88% of all CLO Managers have issued in the US CLO market
- 53% of all CLO Managers have only issued in the US BSL CLO market
- 19% of all CLO Managers are middle market CLO Managers
  - 67% of managers who have issued a middle market CLO have also issued a BSL US CLO
  - 30% of managers who have issued a middle market CLO have also issued a BSL US CLO and EU CLO.

While some may argue that the decade long expansion is coming close to the end and we are at an advanced stage in the credit cycle, there has not been any real slowdown in the rate of new CLO entrants.

Regardless of the particular circumstances, any new manager in the CLO space will clearly need to be looking ahead to its next couple of deals. It is never a case of issuing one deal to see how it goes. A new manager will need a solid plan, ideally with three to five deals locked in, coupled with a clear management style and strategy that investors can understand and buy into. Furthermore, the structure put in place will often depend upon their funding situation, be it via internal group funding or third party anchor equity investor.

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Your Global CLO Team – A CLOser Look

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1. How did you end up working at the Maples Group in the Cayman Islands?

Well that is a long and convoluted story, involving a decent twist of fate. I first heard of this mythical law firm, Maples and Calder, whilst working as a paralegal in the Finance and Capital Markets Information Office at Clifford Chance in London. It seemed too good to be true - practising law from a beach in the Caribbean, cocktail in hand whilst taking home a tax-free income. I have since found out that this is indeed too good to be true, with time on the beach and cocktails occurring far more seldom than I would like. I largely forgot about this daydream for the next few years and took up a newly-qualified position with Freehills in Sydney, Australia in 2005. In mid-2006, my girlfriend's (now wife's) sister and her husband took up positions as attorneys in the Cayman Islands, he with Maples and Calder, which reignited my almost forgotten daydreams of this wondrous land of milk and honey for lawyers. Finally, in the summer of 2006, I decided to go to the football World Cup in Germany to follow the Australian football team's first world cup qualification in 32 years and, in amongst all of this revelry, I met and became friends with a legal recruiter who told me that he was looking for lawyers to go to the Cayman Islands, for none other than Maples and Calder! So, I decided to finally pay attention to the signs and listen to what the universe was trying to tell me! In 2007 I got the ball rolling, and found myself behind the desk at Ugland House in 2008.

2. What CLO trends are you seeing so far in 2019?

The first quarter of 2019 finished strongly, with new issuances at close to 2018 levels. The second quarter ended with a slow-down in new issuances and the focus returning to refinancing and reset activity, with market conditions making it difficult to attract equity investment. Despite this, we are seeing new managers entering the market (often backed by internal or parent equity) which is encouraging.

3. What do you like to do outside of the office?

Unfortunately, there is a large disparity between what I would like to do outside of the office and what I actually do outside of the office! What I would like to do involves any sport imaginable (watching and playing), live music (watching but, mercifully for those around me, not playing), health and fitness and hanging out with my wife and four children. What I actually end up doing involves generally driving the children around and occasional "life admin" and DIY projects. Unfortunately, lounging on the beach with a cocktail in hand is a much more seldom occurrence than I would like.

4. Tell us two fun facts about yourself.

I am an ordained minister of the Universal Life Church and can walk on my hands.

> There is a large disparity between what I would like to do outside of the office and what I actually do outside of the office!

5. Any market predictions for the rest of the year (or beyond)?

As someone once said, "the only certainty is uncertainty"[4]. Given fears of global economic down-turn, as investors grow increasingly risk-averse in the face of falling equity markets, ongoing US–China trade tensions and geopolitical risks such as Brexit, we may see a moderate overall decline in new issuance volume in 2019 as against 2018. Given 2018 was an all-time record year for CLO issuance, some type of slow-down may be inevitable. However, I believe the market is seeing the relative value in CLOs vis-à-vis other structured and corporate asset classes and thus spreads should remain well supported. In fact, deal sizes have been a little lower this year as against 2018. So we may see at the end of the year that, although headline issuance amounts are down, the number of transactions completed will in fact be up. We could also see the emergence of new or innovative products, such as the "MASCOT" note, into the market as a means to hedge against market risk. We've seen this previously in times of uncertainty and it serves to ensure that the CLO market remains an interesting and cutting edge environment in which to practice law.

[4] Someone may not have actually said this.

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1. How did you end up working at the Maples Group in Jersey?

My professional career began as an Internal Auditor with the Cayman Islands Government, after which I moved to the Cayman Islands Monetary Authority ("CIMA") as a Senior Analyst in Banking Supervision. At CIMA I was responsible for on-site supervision and inspection of certain banks and trust companies. A lucky encounter with a secondee to CIMA changed the trajectory of my career forever – he was charged with setting up the fiduciary services department for CIMA and drafted me in as an assistant; it was the conversations with this gentleman and the exposure to different types of structures that piqued my interest in structured finance. The Maples Group (Maples Finance at the time) already had an established fiduciary offering but in 2004 launched its Associate Programme. I applied for one of the three positions in the programme and, after a successful interview process, was offered a place. This was my "lucky break" to join the island's leading fiduciary programme, which launched many successful careers.

Early in 2019 having spent the better part of 15 years working in the structured finance group, and despite enjoying my role and the people I worked with, I was looking for a new challenge. That challenge presented itself in the form of an opportunity to be a part of the team tasked with launching and growing the Jersey (Channel Islands) office. The move has had its challenges, both personal and professional, but I was prepared for that and have embraced the change. I am grateful to have this opportunity to be a Maples "Culture Carrier" in our new Jersey office.

I have settled into Jersey life with my wife and we are enjoying our time here. Similar in size to Grand Cayman with the same small island vibe, things in Jersey move at a relaxed pace. My favourite things about Jersey to date are the quality of life enjoyed by pensioners, the bus service which was invaluable in my first few months, and the wonderful enthusiasm for summer and outdoor activities, which I took for granted in the Cayman Islands. The proximity to the UK and Europe are a big plus as well; it is quite easy to grab a flight to London (weather / fog permitting) or the fast ferry to France.

2. What do you like to do outside of the office?

I like to travel and am an avid basketball player. I have been involved with Cayman basketball in various capacities over the past 30 years. I played for the Cayman national team at the first Island Games to include basketball held in Gotland, Sweden in 1999. Notwithstanding my move to Jersey, I am currently Vice President of Cayman Islands Basketball and recently linked into the Jersey Basketball Association. In July I travelled to the Island Games in Gibraltar to support the Cayman and Jersey teams. Basketball has afforded me the opportunity to travel from the early age of 13 and helped cultivate my passion for travelling. I played regional tournaments in Jamaica, Barbados and Trinidad and competed in three Island Games in Europe.

Competing in the first Island games in 1999 and winning the silver medal, plus playing against Jamaica in the Caribbean championship in 1991 (because of my heritage) are the highlights of my playing career. Representing your country (especially a small country like the Cayman Islands) is always a source of pride. I am, however, most proud of my role with the current Cayman basketball administration that has overseen our best period of growth, culminating with back-to-back gold medals for our men's national team at the Island Games in Gotland 2017 and Gibraltar 2019.

Outside of basketball, trips with my family are always memorable. My sons are 23 and 26, so vacations with them are few and far between lately, but since moving to Jersey we have enjoyed visiting Austria, Spain, the Netherlands and the UK.

3. Tell us two fun facts about yourself.

Other than the fact that Mark Matthews keeps telling me I look like Patrick Vieira (a famous former Arsenal FC and France international football player), most fun facts about me centre around being born in Jamaica and how I ended up in the Cayman Islands.

I was born in St. Thomas Jamaica, the most easterly parish and spent my early years on a farm. I was raised in a small village not likely to be seen on any maps, with less than 100 people. While other kids had bicycles, I rode a donkey to collect coconuts for my aunt. Growing up on a farm was a lot of fun, and I enjoyed helping out at an early age. I would go to the market with my aunt on Saturdays to help sell produce and she would encourage me to practice my maths by having me calculate the change required when someone made a purchase. Country life was hard but a lot of fun. My brothers, cousins and I would sometimes carry five gallon buckets of water on our heads from the river because of shortages. However, as children we didn't seem to notice the work element, rather we focused on the opportunity to play at the river with our friends and catch crayfish.

I am the first born of five children, and our grandparents migrated from Jamaica to Grand Cayman to seek a better life. In our eyes they were like celebrities and there was always a great deal of excitement when they visited. During a visit back to Jamaica in 1984, my grandmother asked if I wanted to spend Christmas with them in Grand Cayman, to which I said yes without hesitation. In a twist of fate, and on the basis I suppose that they enjoyed having me around, I was adopted by my grandparents and have

> I am grateful to have this opportunity to be a Maples "Culture Carrier" in our new Jersey office

lived in the Cayman Islands ever since. Moving to Cayman was a big change, and difficult at times, but I made a good few friends early on and was able to spend my summers in Jamaica. I still have strong connections to Jamaica with three of my siblings still living there with their families. I really enjoy spending time with my nieces and nephews when I visit Jamaica.

I mentioned that I am a big basketball fan, but ironically owing to my grandfather's preferences, I watch more football (soccer to be clear) and cricket than basketball. As a child I would watch football and would stay up all night to watch the West Indies cricket team play while they toured other countries (specifically against England and Australia). I started watching basketball with my best friend because their family had the only satellite dish in the neighborhood (which was a big deal back in 1985). The dish only received Boston Celtics and Chicago Bulls home games so consequently Michael Jordan and Larry Bird were my favourite players. In order to play basketball I fashioned a hoop using an old bicycle rim and nailed it to a mango tree in our front yard. I would spend hours pretending to be Michael Jordan and even continued playing late into the night, which resulted in a few complaints from neighbours. Eventually the neighbourhood kids started coming over to play, which helped me make more new friends.

4. Any market predictions for the rest of the year (or beyond)?

Notwithstanding the concerns around global macroeconomic conditions affecting the market negatively, 2019 has proven resilient and the predicted economic slowdown has not yet materialised. As a result, I am cautiously optimistic that 2019 will finish strong and in-line with earlier market predictions.

We are also expecting the Jersey office to continue growing from strength to strength and stand ready to assist our colleagues, friends and clients should any Jersey solutions be required.

Our CLO team comprises 26 specialist CLO lawyers and 48 specialist CLO fiduciary professionals across our global network.

Since the inception of the CLO market over 20 years ago, we have provided our clients with the benefit of our unparalleled depth of knowledge, experience and insight into what we see across the whole structured finance market, from the latest warehousing structures, to the latest regulatory developments and how they impact CLOs, to ongoing post-closing CLO issues.

For further information, please speak with your usual Maples Group contact, or the following primary CLO contacts:

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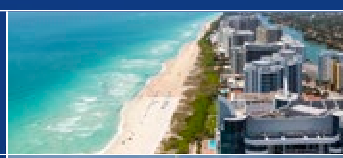
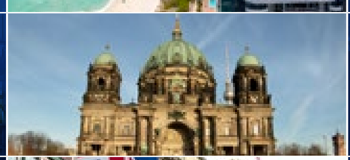
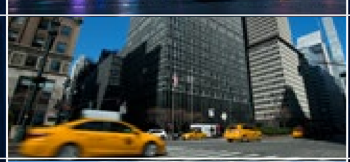
MAPLES GROUP

Forthcoming Events

Members of the Maples Group CLO team will be attending the following industry events during H2 2019:

22-24 September		**ABS East 2019** Fontainebleau Miami Beach Miami, FL
26-27 September		**TSI Congress 2019** Radisson Blu Hotel Berlin, Germany
15 October		**Opal CLO Summit 2019** Marriott Hotel Grosvenor Square London, UK
17-18 October		**Asian Structured Credit Summit** JW Marriott Hong Kong
5 November		**Creditflux Investor Summit** Convene New York, NY
8-10 December		**Opal CLO Summit 2019** Monarch Beach Resort Dana Point, CA