CLO Market Investment Opportunities

September 2020

Agenda

We will be covering:

1. Introduction to CLOs

2. CLO Market Update

3. Investing Opportunities – CLO Mezzanine Debt

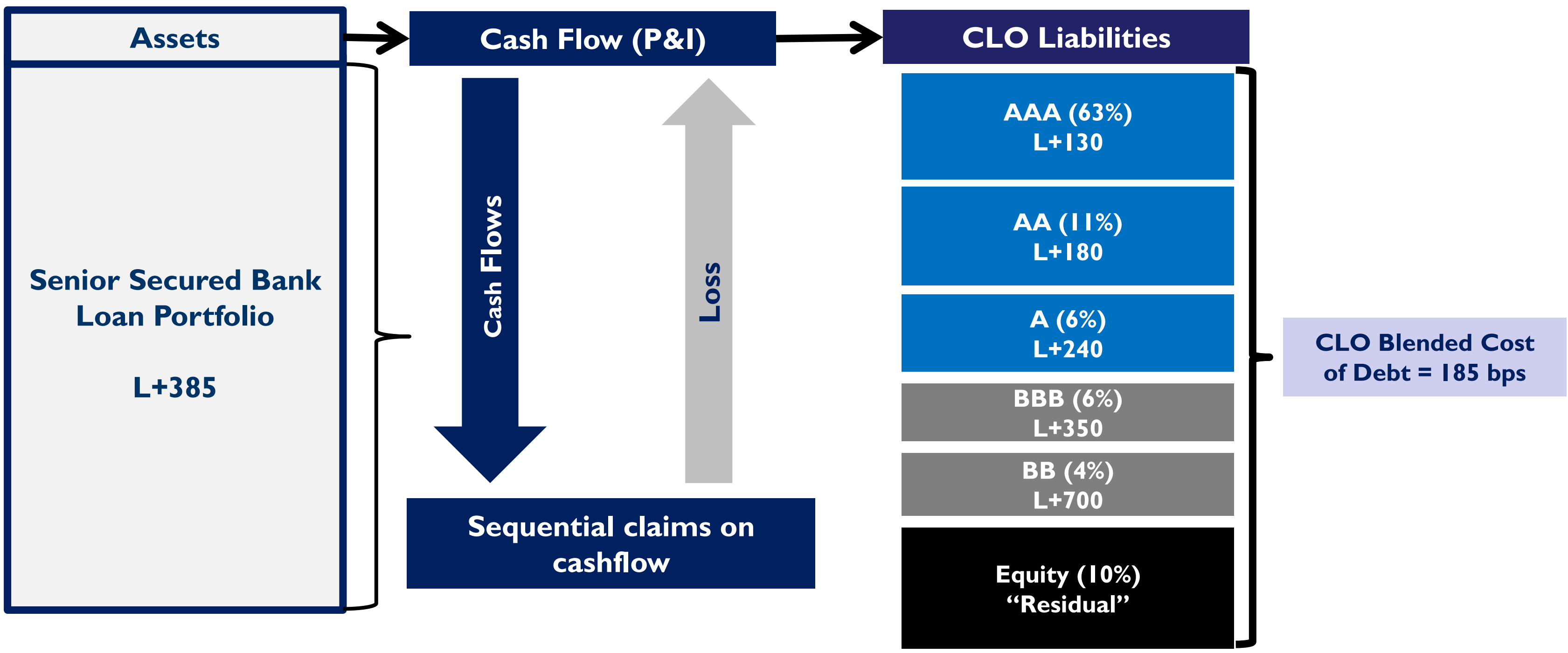
4. Investing Opportunities – CLO Equity

5. Investing Opportunities – CLO Warehouses

Introduction to CLOs

CLO Structure Overview[1]

- A Collateralized Loan Obligation (CLO) is a securitization backed by a diversified pool of senior secured bank loans
- Cash flows are distributed using tranching, enabling a broader selection of investors; assets and liabilities are typically floating rate and are tied to LIBOR to ensure the structure is match-funded
- CLOs are actively managed, allowing managers to sell and reinvest the underlying collateral subject to certain agreed-upon restrictions



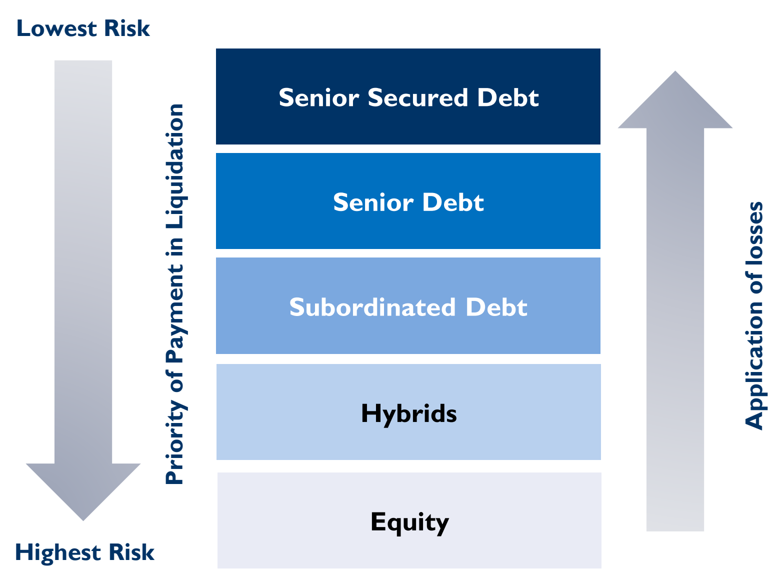
1. The above diagram is presented only for the limited purpose of providing a sample illustration. The terms and structure of a CLO may vary from CLO to CLO.

Senior Secured Bank Loan Overview

- U.S. Senior Secured Corporate Loans ("corporate loans") are credit extensions made primarily to non-investment grade companies
- Most senior debt in capital structure; pegged to a floating rate index (typically LIBOR) which provides a hedge against rising interest rates
- Borrowers of broadly syndicated loans ($500mm or larger) include many well-known brands

Snapshot of Senior Secured Loan Issuers[1]

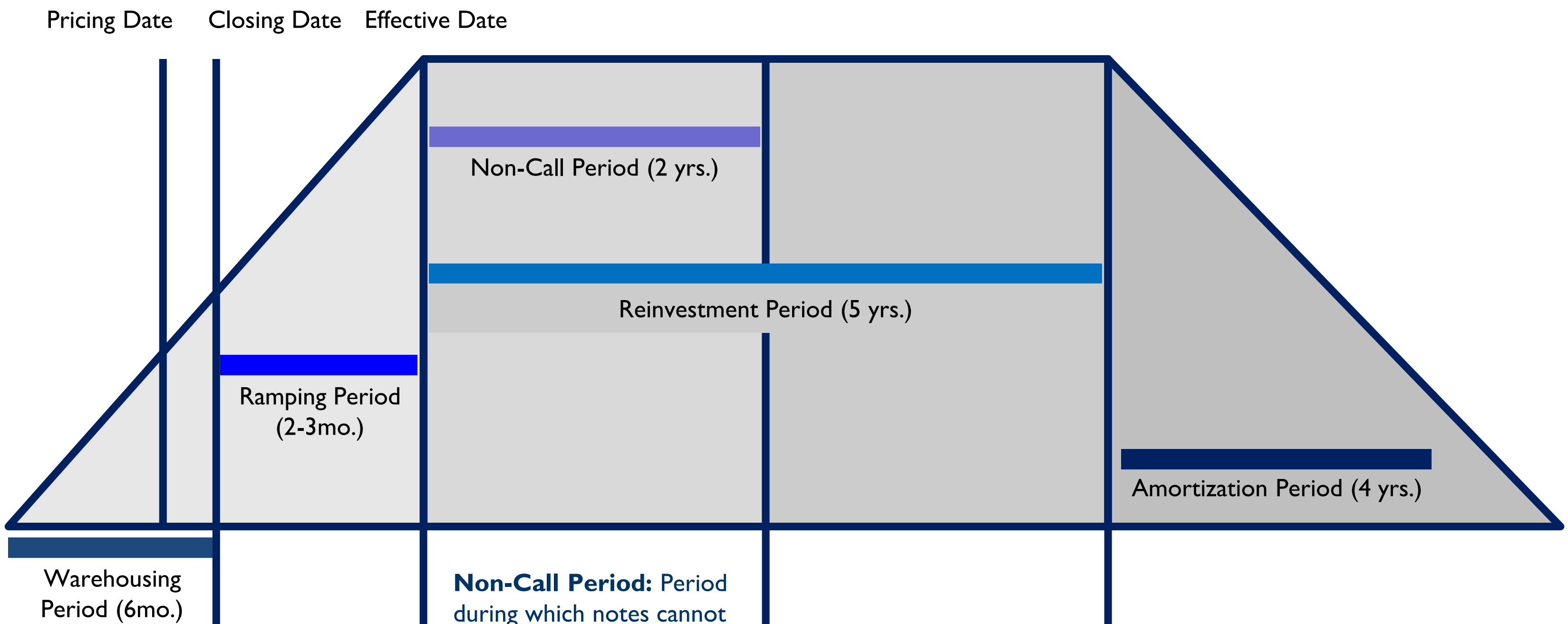
Priority in Capital Recovery Structure



1. The logos on this page are trademarks and service marks belonging to their respective companies shown above. These images have been copied from publicly available sources on the internet and prior permission was not received from the owners or otherwise. Use of these logos is for illustrative purposes only.

Lifecycle of a CLO[1]

- The lifecycle of a typical CLO (including a warehousing period) is outlined below



Non-Call Period: Period during which notes cannot be redeemed

Warehouse Period: Warehouse Bank provides CLO manager financing to acquire assets; CLO manager provides 1st loss. 70-80% of assets purchased.

Ramp-Up Period: Proceeds from CLO issuance used to purchase remaining 20-30% of assets

Reinvestment Period: CLO Manager permitted to actively trade underlying assets. Principal cash flows from underlying assets can be used by CLO Manager to purchase new assets. Only interest payments flow through the waterfall

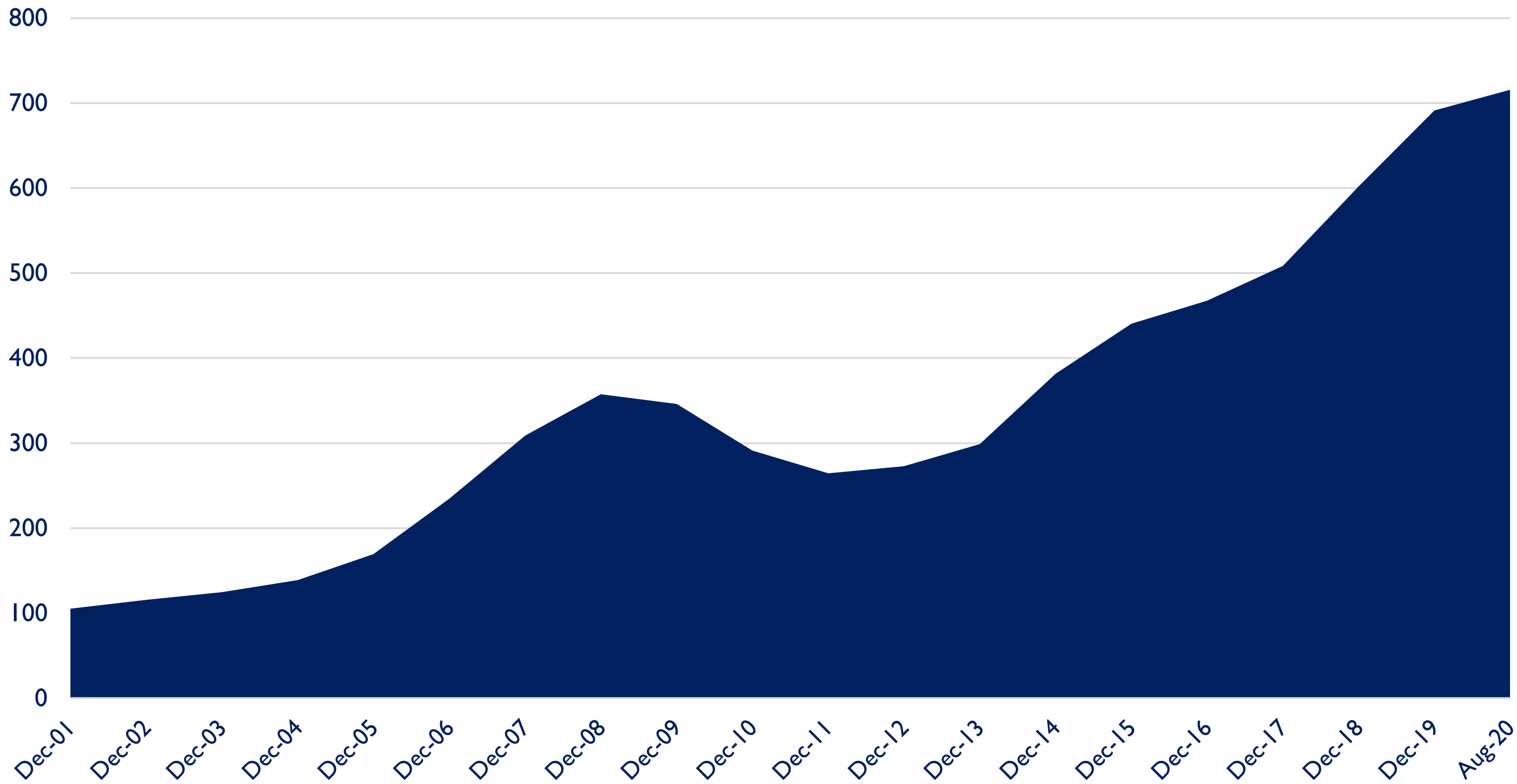
Amortization Period: Cash flows from assets are used to pay down the outstanding notes. Both principal and interest payments flow through the waterfalls

1. The above diagram is presented only for the limited purpose of providing a sample illustration. The terms and structure of a CLO may vary from CLO to CLO.

CLO Market Update

U.S. CLO Market Size

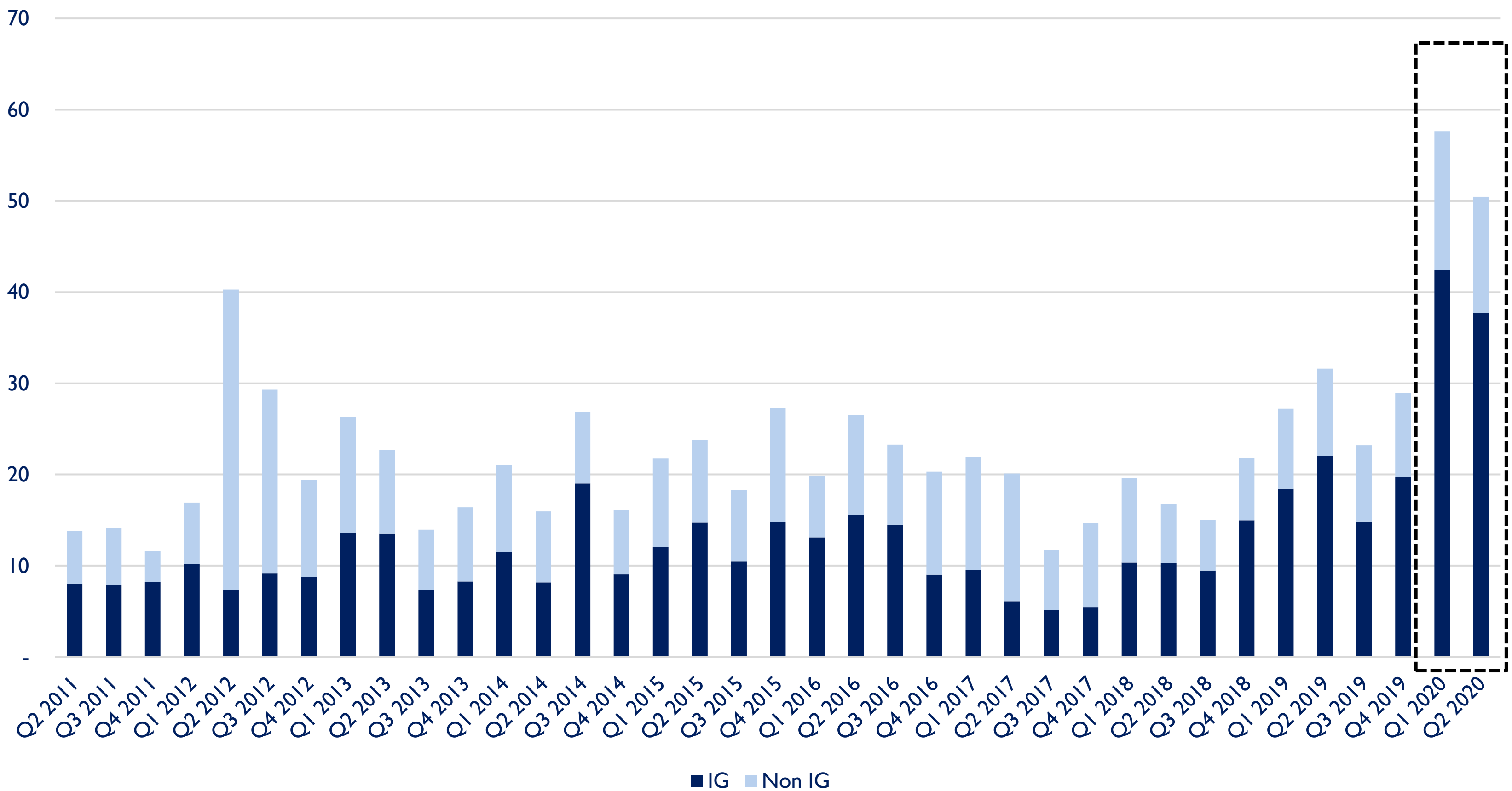
Outstanding U.S. CLO Volume ($bn)[1]



1. Source: Citigroup Research, data as of August 31, 2020.

U.S. CLO Secondary Trading Volume

Quarterly Trading Volume ($bn)[1]



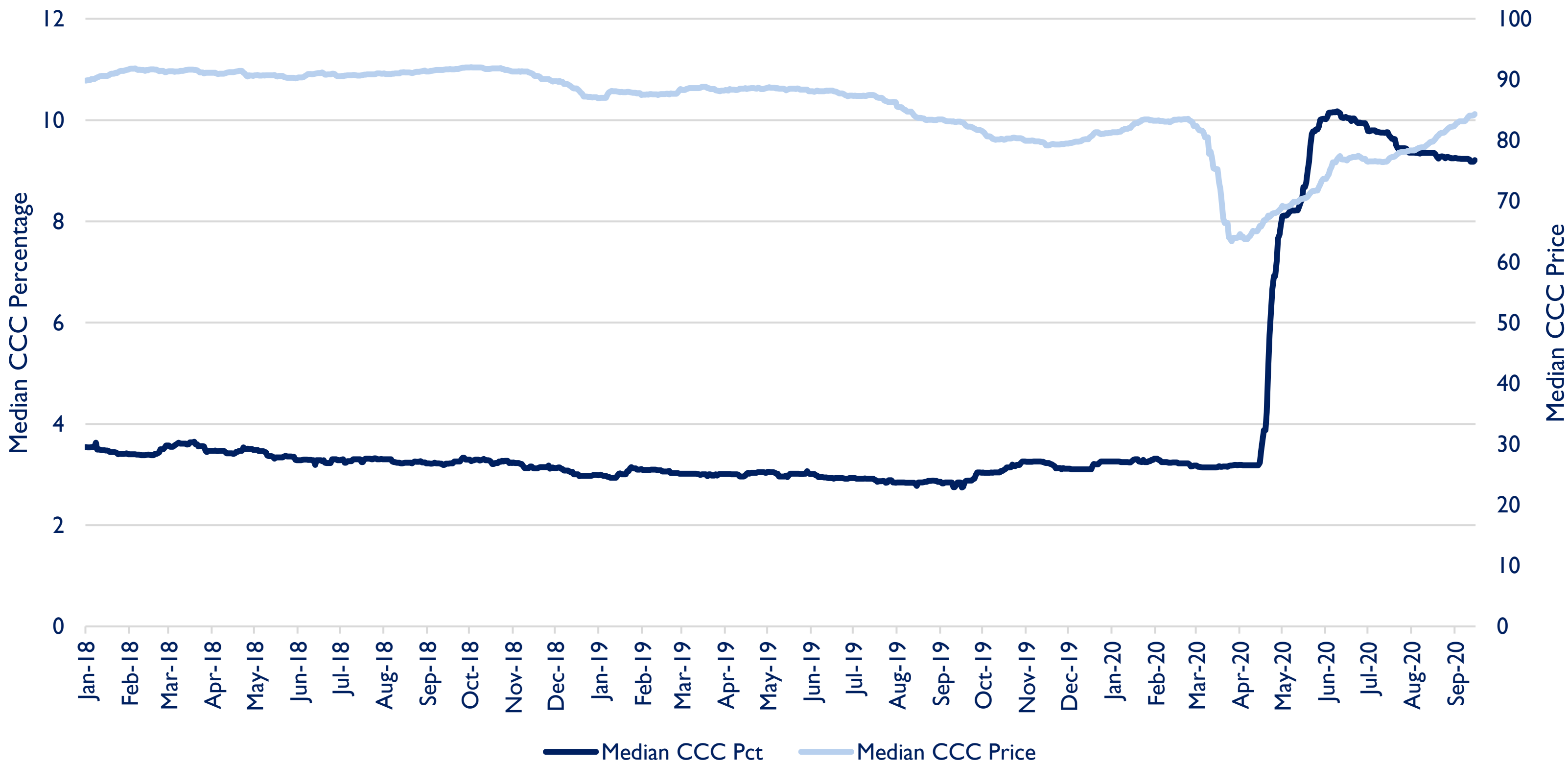
1. Source: TRACE pricing, data as of June 30, 2020

U.S. CLO Loan Downgrades

- Due to the stress incurred as a result of COVID-19, a number of loans held in CLO portfolios were downgraded by rating agencies, resulting in an increase in the median percentage of CCC rated assets in CLOs.[1]

- However, since July the median price of these CCC rated assets has steadily increased.[1]

Median CCC Percentage vs. Price in U.S. CLOs[1]

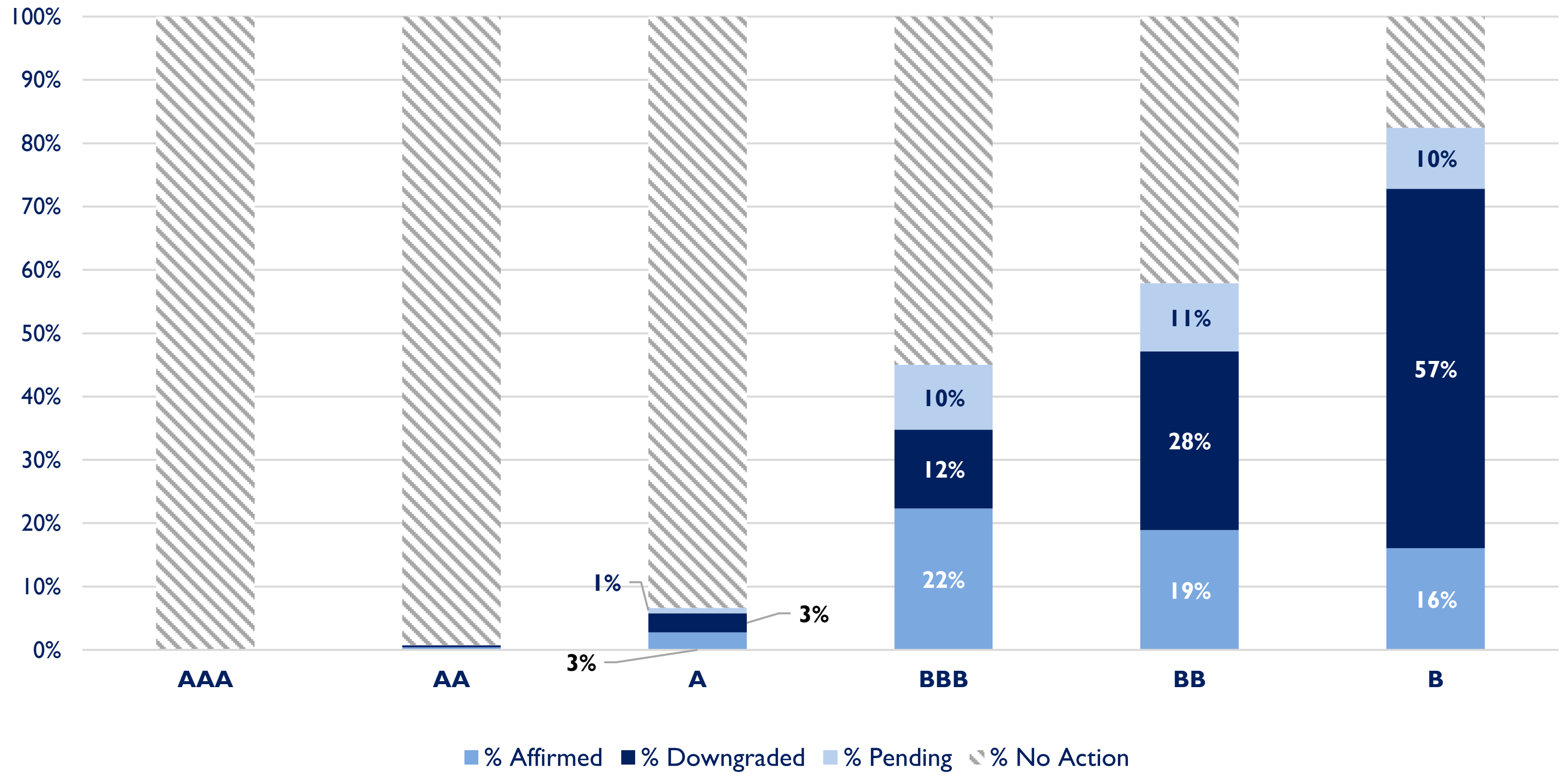


1. Source: Kanerai, data as of September 17, 2020.

U.S. CLO Tranche Downgrades

- Since March of this year, volatility and stress in the underlying loans has led to the rating agencies putting a number of CLO tranches on review for downgrade. Over the last few months, the rating agencies have taken action, either downgrading a bond or affirming the original rating.[1]

Actions by Rating Agencies after Negative Watch[1]

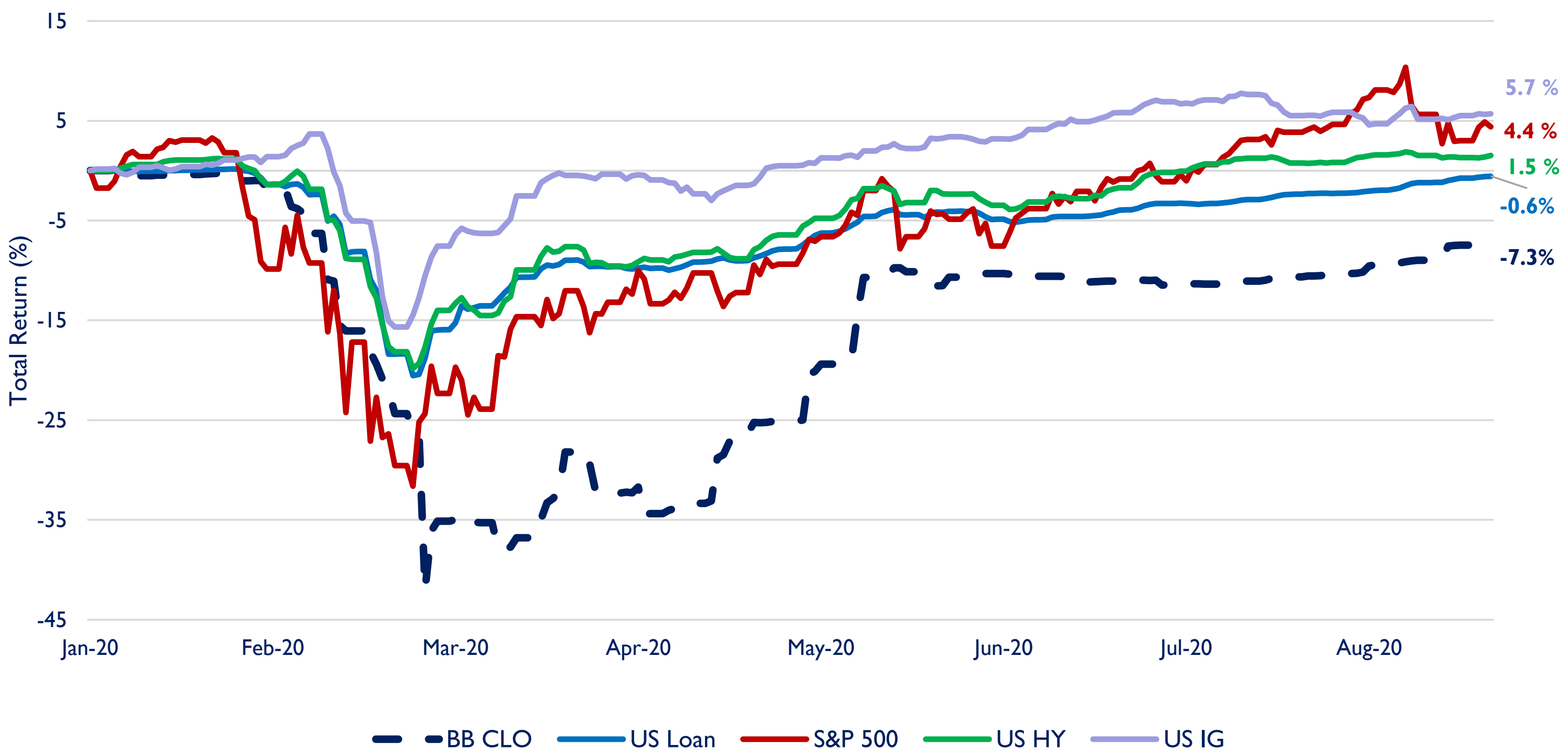


1. Source: Kanerai, data as of September 17, 2020.

U.S. CLO vs US Credit Indices (YTD Total Return)

CIFC Asset Management

U.S. CLO vs. U.S. Credit Indices Total Return Since Jan 31, 2020[1]



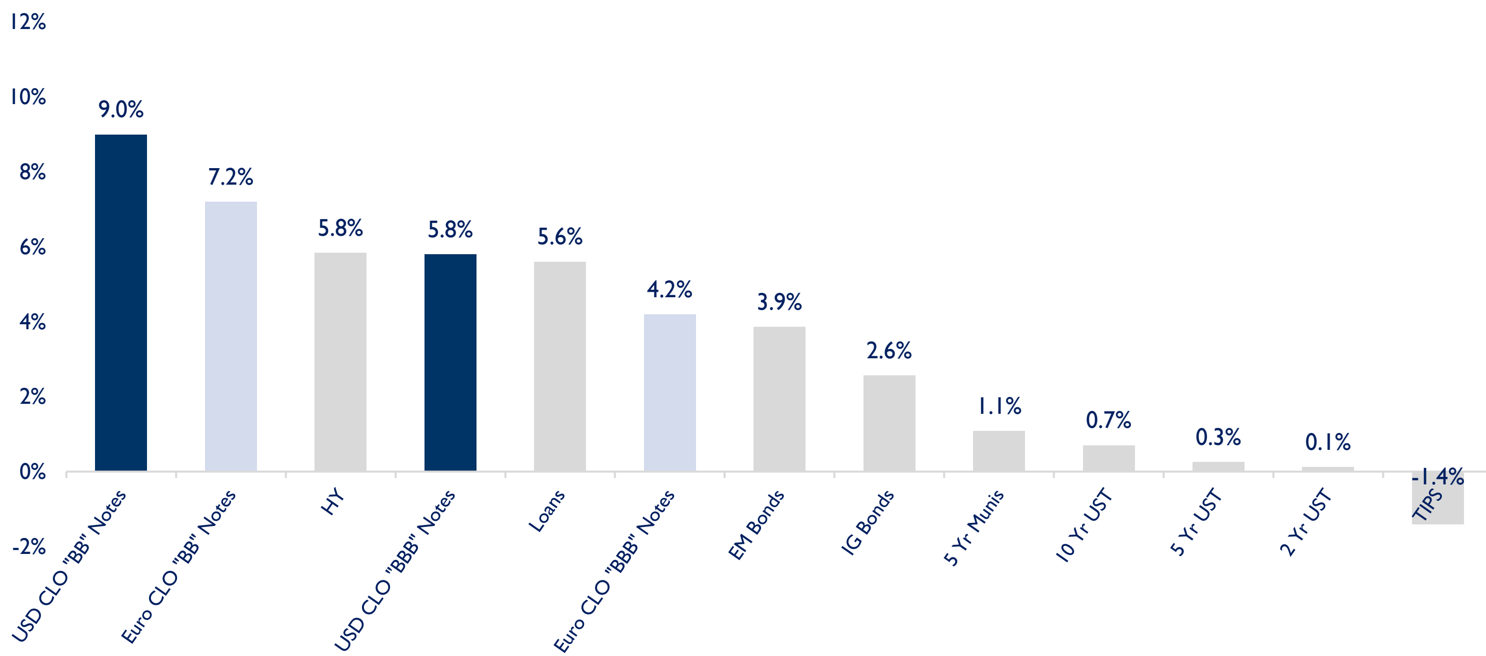
1. Source: Bloomberg data as of September 16, 2020. Previous performance is not indicative of future results.

CLO Relative Value

- We believe that investing in CLO debt is a compelling total return strategy for the following reasons:

Downside Protection	Inflation Protection	Compelling Relative Value	Diversification
Default protections on underlying loan collateral via subordination and overcollateralization triggers	Floating rate nature mitigates downside of rising interest rates	Per the below, BBB & BB CLO notes currently represent compelling relative value vs. other corporate credit-based instruments	CLOs provide investors with exposure to actively managed diversified portfolios of senior secured corporate loans

Yield to Maturity Comparison[1]



1. Source: Intex, J.P. Morgan, Bloomberg, data as of August 31, 2020.

CLO Investing Opportunities

Current Opportunities

CLO Mezzanine Debt

- Secondary market dislocations create significant opportunity to achieve double digit returns in CLO Mezzanine Debt (BBB, BB, B)
- Potential downgrades of BBB debt may create forced selling which could put pricing pressure on CLO BBBs and BBs
- Ability to determine value amongst similarly rated CLO assets will drive alpha
- Team has ability to underwrite underlying collateral from 3rd party managed CLOs by leveraging CIFC's 25-member research team
- Team has significant experience in understanding various CLO structures and the manager's experience to oversee the assets (workout team, track record, etc.)

CLO Secondary Equity

- Current price dislocation is most significant since the Global Financial Crisis (Crisis)
- Dislocation driven by a combination of weaker leveraged loan prices and a blurry economic picture
- Rating agency downgrades and defaults will separate winners from losers
- Near term fear of CLO equity distributions being shut off will make new investors wary
- Ability to underwrite the fundamentals of underlying issuers will be crucial in avoiding pitfalls
- A deep understanding of various industries and their paths forward will provide key insight in determining value

Investing Opportunities – CLO Mezzanine Debt

Low Losses Through the Cycles[1]

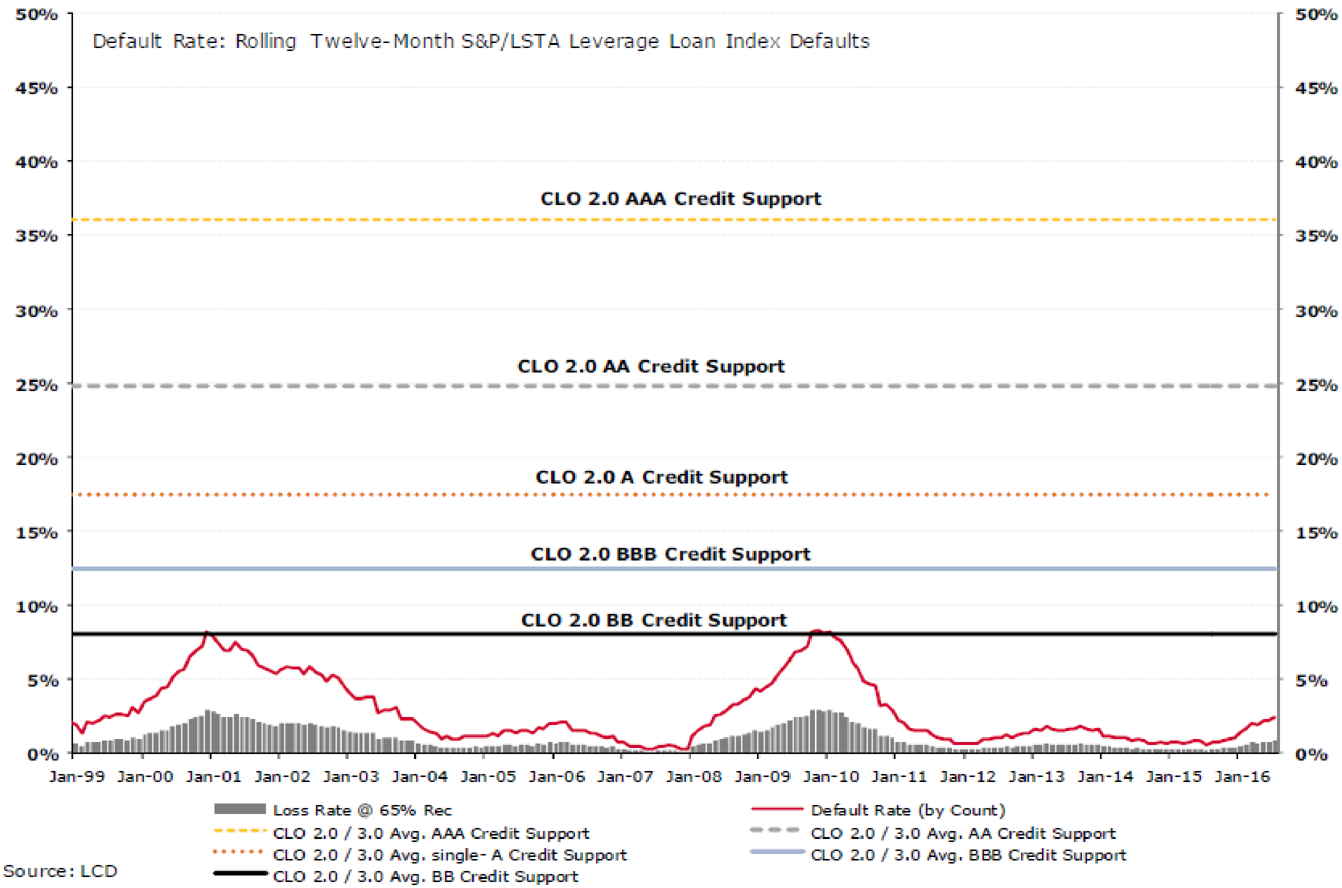
- According to Moody's, U.S. CLO tranches have significantly lower loss rates than similarly rated corporates

Moody's CLO Tranche Defaults vs. Corporate Default History (Cumulative)						
	U.S. CLO Default Rate	**Total Tranches**	**Defaulted Tranches**	**U.S. Corporate Default Rate**		
	1993 – 2018	1993-2018	1993-2018	5 Year	10 Year	15 Year
AAA	0.00%	3,833	0	0.1%	0.1%	0.1%
AA	0.00%	1,961	0	0.3%	0.8%	1.3%
A	0.08%	1,816	1	0.8%	2.2%	3.6%
BBB	**0.63%**	**1,791**	**24**	**1.5%**	**3.3%**	**5.7%**
BB	**1.10%**	**1,477**	**26**	**7.9%**	**15.1%**	**20.8%**
B	1.20%	358	4	20.3%	33.6%	41.6%
Total	**0.31%**	**11,236**	**55**			

1. Source: Moody's, May 17th, 2019. Using most recent data available.

Structural Protection[1]

Historical Structural Protections – by Tranche



Source: LCD

Historical Loan Recovery Data:

Average Loan Recovery 1987-2015:	80.4%	(based on Ultimate Recovery)
Average Loan Recovery 1983 -2015:	66.6%	(based on 30d Post Default Trading Price)

Source: Moody's

1. Source: Wells Fargo, data as of March 2, 2017.

How CLO Structures Have Evolved Since the Financial Crisis

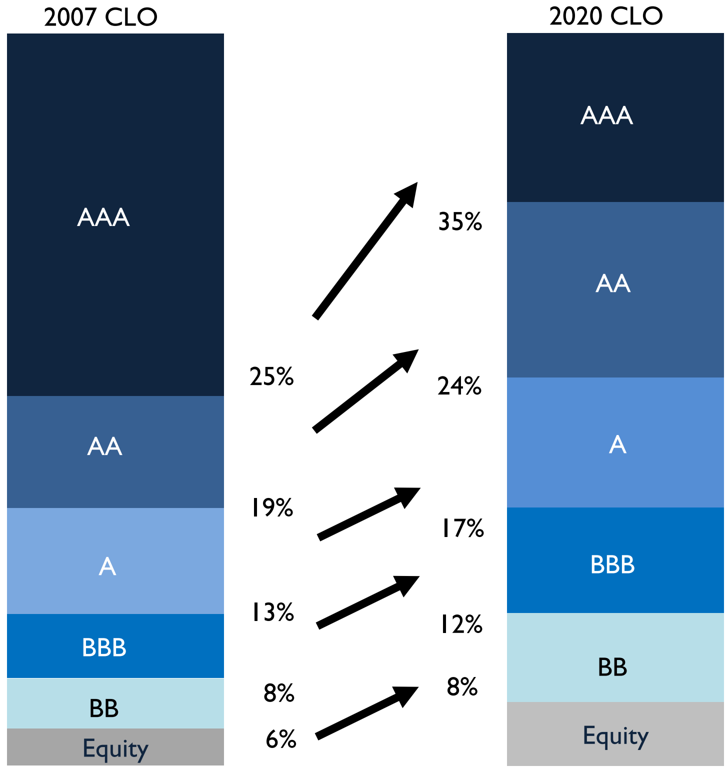
CIFC Asset Management

- Post-Crisis CLOs contain more credit support[1]
- Credit support has improved by one tranche level: a 2.0 BBB has credit support equal to a 1.0 single-A[2]

Pre-Crisis CLOs vs. Post-Crisis CLOs[1]

	Pre-Crisis CLOs	Post-Crisis CLOs
Coupons	Lower	Higher
Credit Support	Lower	Higher
WA Cost of Debt	50-70 bps	150-225 bps
Reinvestment Period	5-7 Yrs	4-5 Yrs
Non-Call Period	3-5 Yrs	2 Yrs
CLOs as Collateral Assets	5%-10%	None
Bonds as Collateral Assets	5%-10%	None
Tranche Refinancing	N/A	After NC, Refi Tranches at Par
CLO "Reset"	N/A	After NC, Tranches can be Reset at Par
Maturity	12-14 Yrs	12 Yrs

Credit Support based on Assets[2]

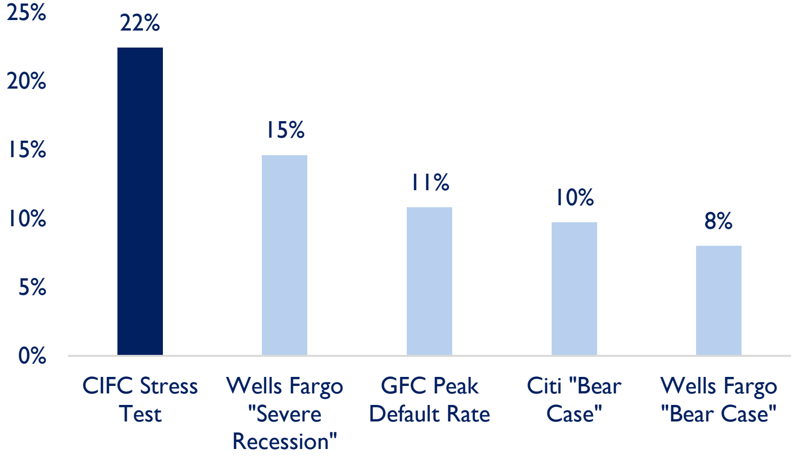


1. Source: Wells Fargo Research-"FAQ on CLOs and Leveraged Loans". Data as of January 31, 2019. Most recent data available.
2. Source : Based on asset par coverage. Wells Fargo Research-"FAQ on CLOs and Leveraged Loans". Data as of January 31, 2020.

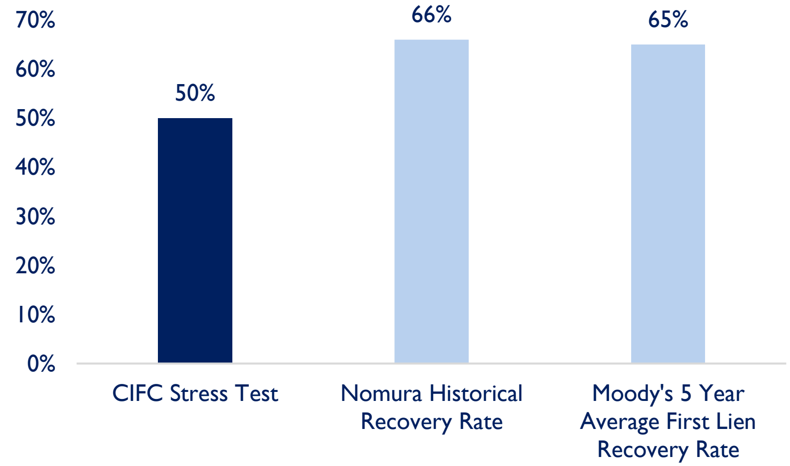
CLO Stress Tests

CIFC Stress Test vs. Wall Street Analyst Projections

Near Term Default Rate[1]



Recovery Rate[2]

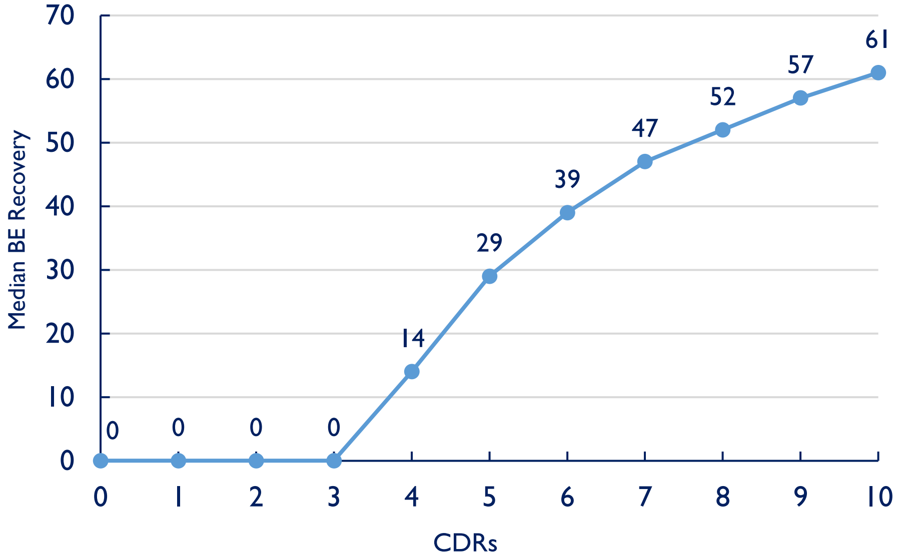


1. Sources: Copyright © 2020, S&P Global Market Intelligence, Leveraged Commentary & Data. Data as of April 1, 2020; Citi – US High Yield Strategy Focus, April 3, 2020. Near Term Default Rate Chart Definitions: "CIFC Stress Test" = S&P forecasted 12 month default rate for loans; Wells Fargo "Severe Recession" = Moody's forecasted 12 month default rate for loans under severe recession stress; "GFC Peak Default Rate" = Peak trailing 12 month default rate in S&P/LSTA Leveraged Loan Index (as of November 2009); Citi ""Bear Case" = S&P forecasted 12 month default rate for loans; Wells Fargo "Bear Case" = S&P forecasted 12 month default rate for loans under bear case.
2. Source: CIFC Analysis, data as of July 21, 2020. Nomura Special Topics, March 20, 2020; Moody's Investor Service – February 2020 Default Report, March 10, 2020, CIFC as of June 29th, 2020. Recovery rate between CIFC Stress Test, Nomura Historical recovery rate and Mood's 5 Year Average Fist lien recovery Rate.

CLO Mezzanine Debt Credit Enhancement[1]

- We believe CLO structures provide CLO mezzanine investors with significant protection from defaults on the underlying loan collateral via subordination and overcollateralization triggers
- The breakeven Constant Default Rate(CDR)/Recovery combination for US CLO BBs are above historic average default level. For example, a CLO BB will not incur a first dollar principal loss at an annual 7% CDR and 47% recovery rate

CLO BBs BE CDR/Recovery Combinations for Principal Write-downs



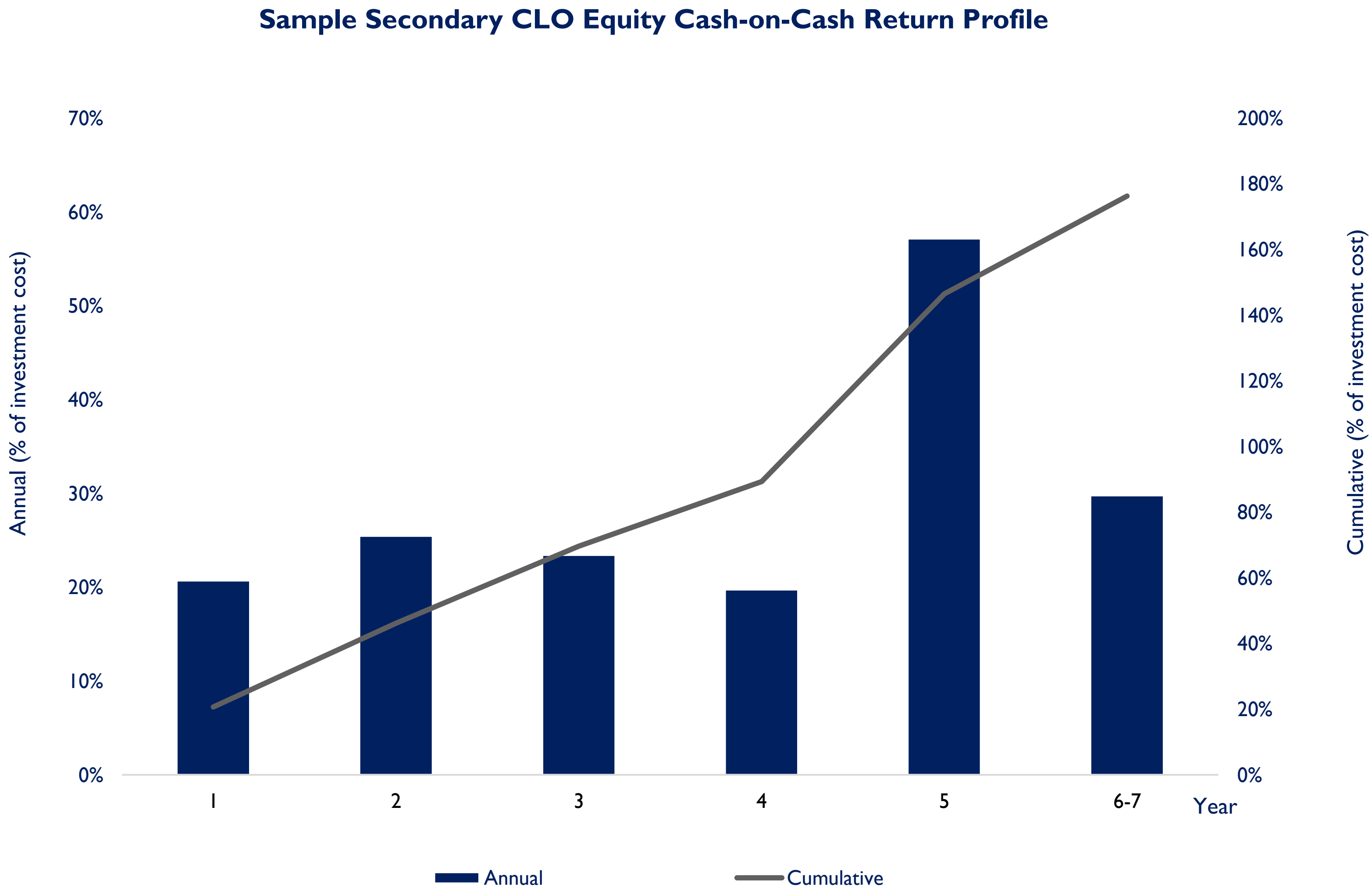
Breakeven default rates across CLO tranches

	PIK		Principal Writedown	
Tranche	**Median**	**Mean**	**Median**	**Mean**
AAA	-	-	79.5	80.8
AA	-	-	37.3	41.3
A	-	-	24.4	27.1
BBB	14.2	15.1	15.2	17.8
BB	9	10.3	9.2	11.5
B	4.5	6.9	7.2	10.2

1. Source: Morgan Stanley Research, Intex, data as of March 31, 2020. Constant Default Rate (CDR) is a loan default rate equivalent to the proportion of a loan's principal that is assumed to be defaulted in each period.

Investing Opportunities – CLO Equity

CLO Equity Cash-on-Cash Profile[1]

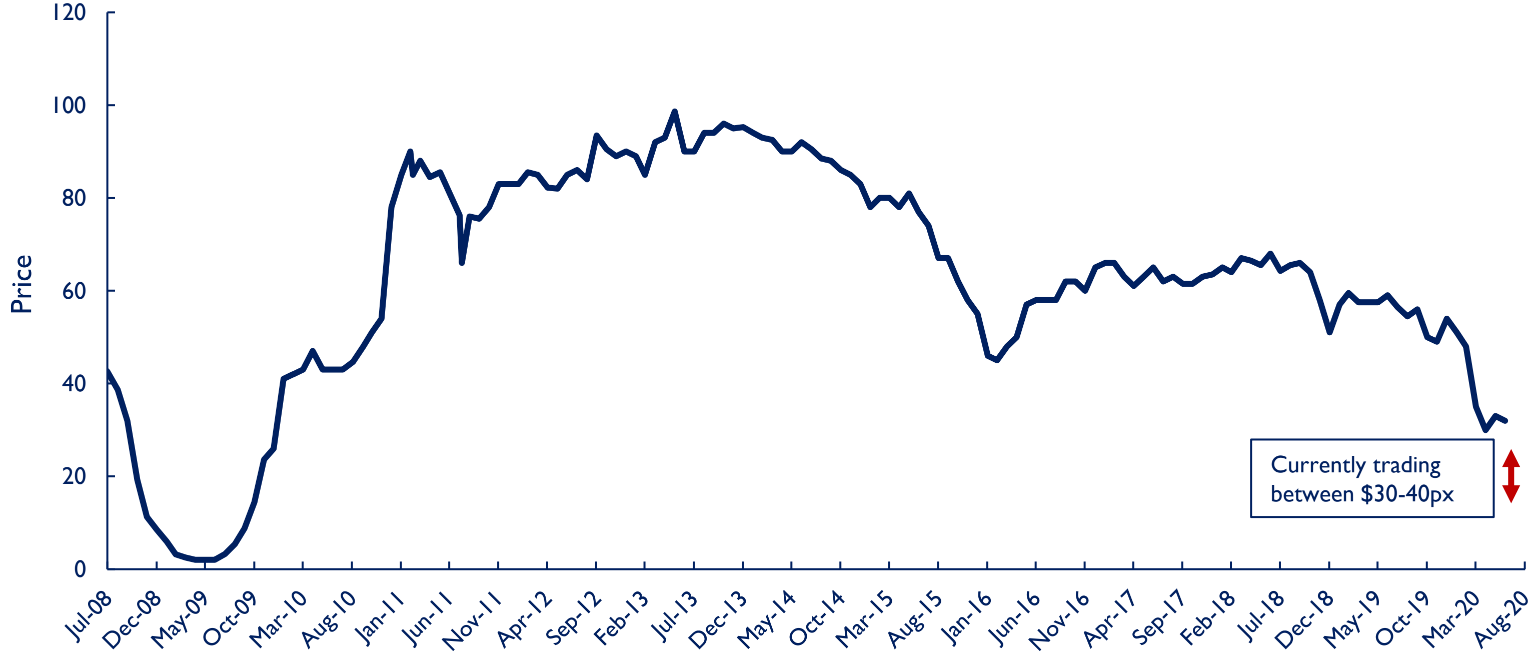


1. Sample cash flows have been provided for illustrative purposes only. There can be no assurance that such an investment will achieve similar returns or not lose invested capital. The "to maturity" returns are projected by CIFC and based off of modeling assumptions created by CIFC. Such assumptions are available upon request.

CLO Equity Opportunities

- CLO equity valuations remain challenged even as CLO debt and senior secured bank valuations have improved
- CLO equity investors stand to benefit most from an economic turnaround
- Increasing CCC baskets and looming defaults require equity investors to have a fundamental credit viewpoint of the CLO's underlying assets

Secondary CLO Equity Prices[1]

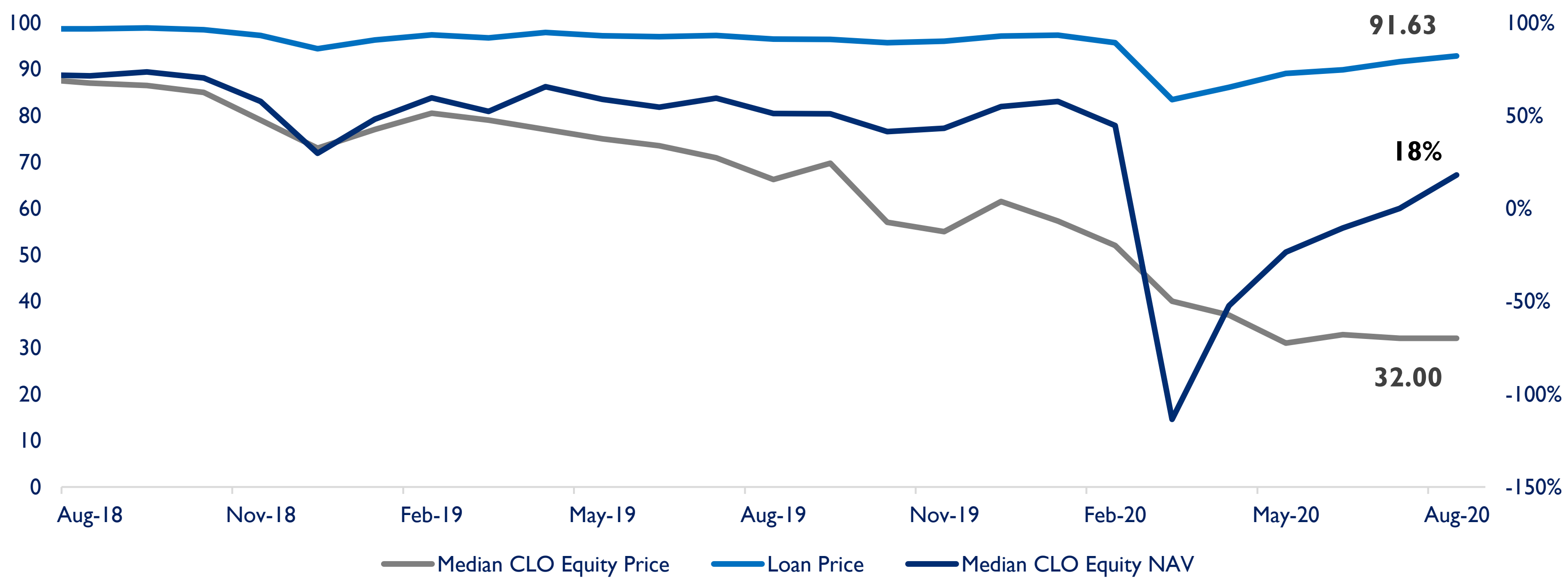


1. Source: Citibank, data as of August 31, 2020.

Current CLO Equity Valuation at Attractive Entry Point

- CLO equity valuations are heavily impacted by movements in loan prices
- The decline in bank loan prices has led to majority of CLO equity tranches having a lower NAV than pre-COVID
- As loan prices rebound, CLO equity valuations will improve at a more rapid pace due to the inherent leverage within the CLO structure

Historical CLO Equity Price and NAV for 2018 Vintage[1]

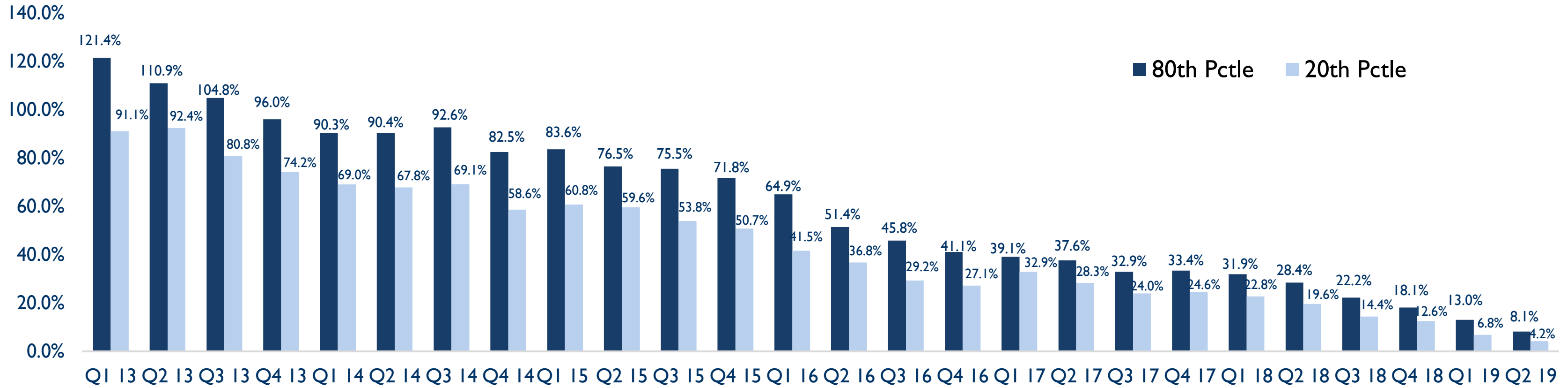


1. Source: Citi, data as of August 31, 2020.

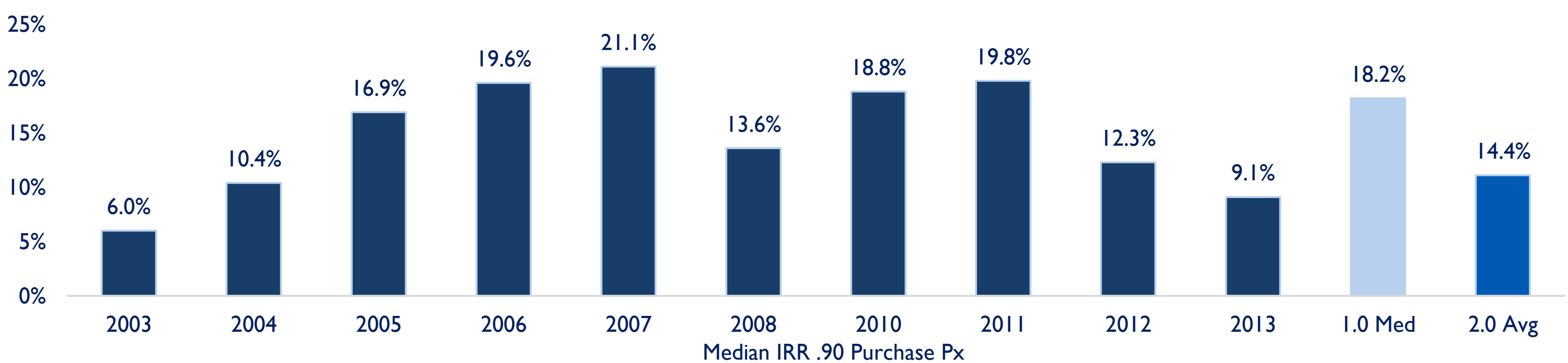
Historic CLO Equity Performance

- Diversified portfolio, transparency of underlying issuers, and focus on risk
- Manager selection remains essential; ability to evaluate and understand asset fundamentals is equally important

Manager Dispersion – Cumulative Cash-on-Cash Return by Quarter of Issue[1]



Median IRR by Vintage Year (Terminated Deals)[2]



1. Source: Wells Fargo, data as of March 31, 2020. Majority of cumulative returns reflect return distributions for CLOs still outstanding. Using most current data available.
2. Source: JPMorgan, Wells Fargo as of Q4 2019.

Investment Opportunities – CLO Warehouses

Investment Rationale – CLO Warehouse Equity

- CLO warehouse equity investments provide a short duration bridge between CLO investment opportunities

12-18% Target Return[1]

3-6 Month Expected Duration

Structure	Attractive financing Minimal upfront/management fees
Favorable Terms	Ability to leverage extensive CLO warehouse management expertise to negotiate favorable terms
Diversification	Actively managed, diversified portfolio of broadly syndicated senior secured corporate loans ("BSL")

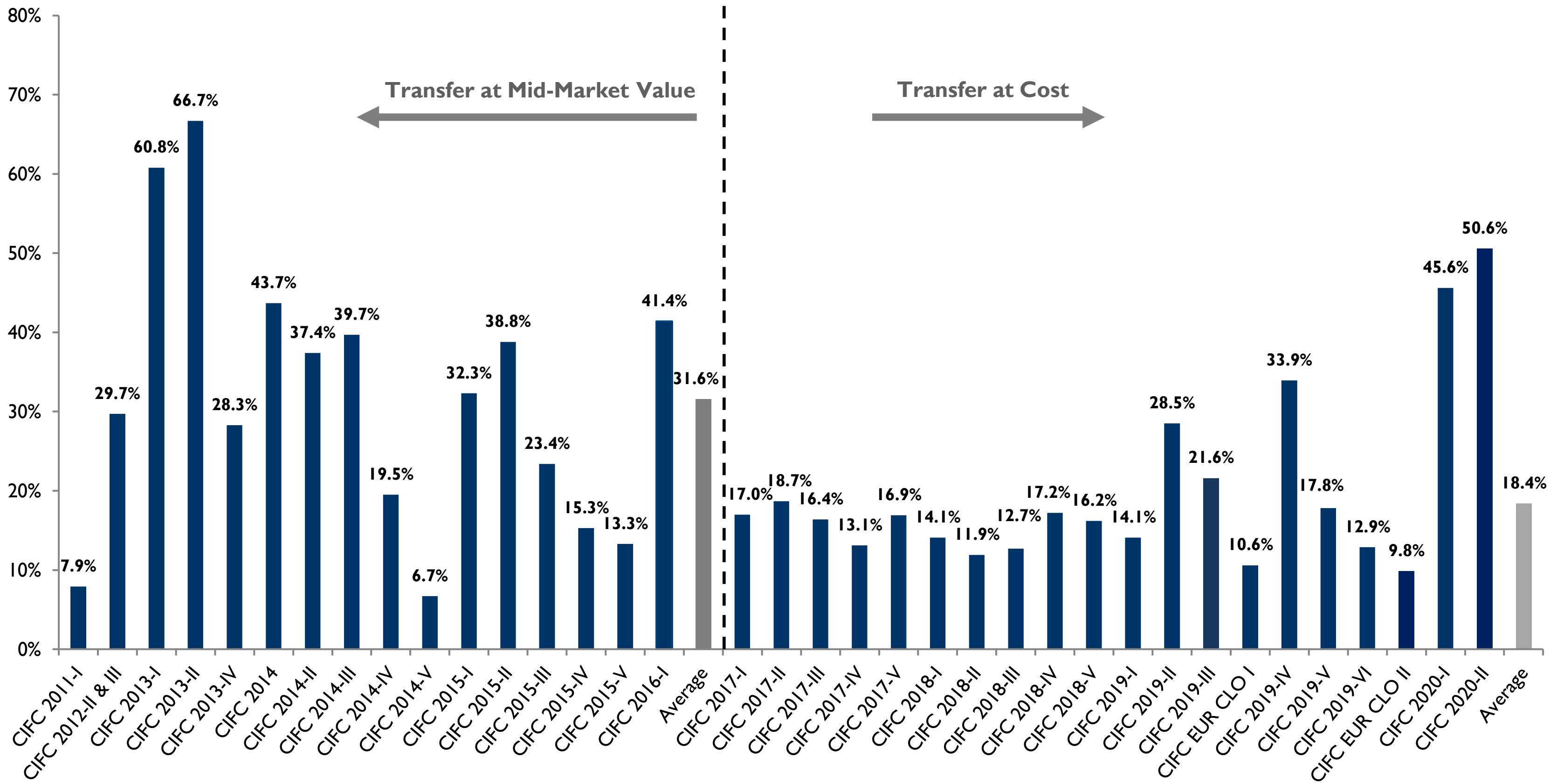
1. There can be no assurance that the target return will be achieved. In considering the target return, prospective investors should bear in mind that such targeted performance is not a guaranteed projection or prediction and is not indicative of future results. Actual performance may differ substantially from the target performance shown.

Warehouse Return Track Record

CIFC Asset Management

CIFC is an experienced manager of warehouse investments, having closed over 30 warehouses on CIFC CLO 2.0[1] transactions with nine different underwriting banks

CLO Warehouse IRRs[2]



1. "CLO 2.0" began in 2010 and changed in response to the crisis by strengthening credit support and shortening the period in which loan interest and proceeds could be reinvested into additional loans.
2. Please note warehouses represented here are from CIFC CLO 2.0 transactions. As of August 31, 2020. The CIFC 2020-I warehouse was opened on the CLO's pricing date (June 12, 2020) and accordingly was only accumulated post-pricing for a six week period. The warehouse also benefited from approximately $90 million of assets from an existing warehouse transferring over on the pricing date via a master participation agreement. The CIFC 2012-II CLO used the CIFC 2012-III warehouse to ramp collateral until the pricing of the CIFC 2012-II CLO transaction. After pricing the CIFC 2012-II CLO, Royal Bank of Scotland provided all of the financing and retained all of the economics on the CIFC 2012-II portfolio accumulated between pricing and closing. CIFC does not have information on the economics for the CIFC 2013-III warehouse as there was a separate arrangement entered into between Citi Bank and the third party warehouse equity provider to which CIFC was not a party. CIFC's Warehouse Fund had a position in a warehouse from September 2015 to April 2016. The warehouse was liquidated in April 2016 and the Warehouse Fund realized an IRR of 10.1%. Once the warehouse was fully liquidated, CIFC reopened the warehouse with a new equity contribution from its balance sheet and started accumulating assets again. The return in 2016-I above is reflective of the reopened warehouse. Past performance is not indicative of future results. There can be no assurance that similar returns will be achieved. In considering past performance, prospective investors should bear in mind that such targeted performance is not a guarantee, projection or prediction and is not indicative of future results. See the included Disclaimer for additional information.

Disclaimer

This presentation (this "Presentation") contains selected information about CIFC Asset Management LLC ("CIFC AM") and its affiliates (collectively, "CIFC") and about the assets that CIFC manages. This Presentation has been prepared and is being furnished solely for informational purposes. In particular, this Presentation is not, and is not intended to be, an offer to sell, or a solicitation of an offer to purchase, any securities or any other interest in CIFC or in any fund, account or other investment product or assets managed by CIFC or to offer any services. Any such offering and sale would be made only on the basis of certain transaction documents and, as the case may be, a final offering circular and related governing and subscription documents (together, "Transaction Documents") pertaining to such offering and sale and is qualified in all respects and in its entirety by any such final Transaction Documents.

The views and statements expressed herein are those solely of CIFC and are as of the date hereof. This Presentation contains preliminary information only, is not intended to form the basis of an investment decision, is subject to change at any time and is not, and should not be assumed to be, complete or to constitute all the information necessary to adequately make an investment decision. No representation is made as to the accuracy or completeness of the information set forth herein.

The information contained in this Presentation is based in part on past performance and certain assumptions, particularly about future performance. These assumptions have certain inherent limitations, and will be affected by any changes in the structure, criteria or assets involved in particular transactions. Some assumptions are not identified in this Presentation. Actual performance may differ, and may differ substantially, from that set forth in this Presentation. No representation is made that the scenarios described herein are accurate or complete or do not contain errors, or that alternative assumptions would not be more appropriate or produce significantly different results. The terms and characteristics of any investment with CIFC or in any fund, account or other investment product managed by CIFC may change based on economic and market conditions. Past performance is not indicative of future results. CIFC assumes no obligation to update or otherwise revise any projections, forecasts or estimates contained in this Presentation, including any revisions to reflect changes in economic or market conditions or other circumstances arising after the date of this Presentation or to reflect the occurrence of unanticipated events.

Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

Disclaimer (Cont'd)

CIFC Asset Management

The distribution of this Presentation in certain jurisdictions maybe restricted by law. This document is only made available in Australia to persons to whom a disclosure document such as a prospectus or product disclosure statement is not required to be given under either Chapter 6D or Chapter 7.9 of the Corporations Act 2001 (Cth). This document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of Australian Law, and is not required to, and does not contain all the information which would be required in a product disclosure statement or prospectus under Australian law. This document has not been and will not be lodged or registered with the Australian Securities and Investments Commission or ASX Limited or any other regulatory body or agency in Australia. The persons referred to in this document may not hold Australian Financial Services licenses. This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of any interest is appropriate in light of your own financial circumstances or seek professional advice.

This Presentation is provided to you on the understanding that, as a sophisticated institutional investor, you will understand and accept its inherent limitations, will not rely on it in making any decision to invest with CIFC or in any fund, account or other investment product managed by CIFC, and will use it only for the purpose of preliminary discussions with CIFC. In making any investment decision, you should conduct, and must rely on, your own investigation and analysis of the data and descriptions set forth in this Presentation, including the merits and risks involved.

As will be provided in any applicable Transaction Documents, any investment in CIFC or in any account or other investment product managed by CIFC is suitable only as an investment for, and will be offered only to, persons who have, directly or through qualified representatives, the ability to evaluate the merits and risks of any such investment and the ability to assume the economic risks involved in any such investment.

Certain information contained herein constitutes "forward-looking statements," which can be identified by use of forward-looking terminology such as "may," "will," "should," "expect," "attempt," "anticipate," "project," "estimate," "intend," "seek," "target," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to the various risks and uncertainties, actual events or results in the actual performance of investments may differ materially from those reflected or contemplated in such forward-looking statements.

The contents of this Presentation are not to be construed as legal, regulatory, business, accounting or tax advice. You should consult your own attorney, business advisor, accountant and tax advisor as to legal, regulatory, business, accounting and tax advice.

This Presentation is confidential. Any reproduction or distribution of this Presentation, in whole or in part, or the disclosure of the contents hereof, without the prior written consent of CIFC, is prohibited.

By retaining the presentation, you acknowledge and represent to CIFC that you have read, understood and accept the terms of this Presentation and acknowledge and agree that the presentation is confidential, non-public and/or proprietary information. You hereby agree to return to CIFC or destroy this presentation promptly upon request.

For information regarding our privacy policies and procedures, please visit https://www.cifc.com/privacy-statement/.

Disclaimer (Cont'd)

Benchmarks and indices are presented herein for illustrative and comparative purposes only. Such benchmarks and indices may not be available for direct investment, may be unmanaged, assume reinvestment of income, do not reflect the impact of any trading commissions and costs, management or performance fees, and have limitations when used for comparison or other purposes because they, among other things, may have different strategies, volatility, credit, or other material characteristics (such as limitations on the number and types of securities or instruments) than CIFC. It should not be assumed that performance or the volatility of any securities included in the strategy will correspond directly to any comparative benchmark index. We make no representations that any benchmark or index is an appropriate measure for comparison.

The S&P/LSTA Leveraged Loan Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments.

S&P 500 is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ.

The J.P. Morgan Investment Grade Index is a broad measure of the performance of the most liquid securities in the Investment Grade corporate bond market.

The J.P. Morgan High Yield Bond Index is a developed market indices include the local debt flagship products, the J.P. Morgan Government Bond Index (GBI) series and the Economic and Monetary Union (EMU) Government Bond Index. These indices track fixed rate issuances from high-income countries spanning the globe. The developed markets index lineup has a long track record of investor adoption since the launch of the GBI Global in 1989, and has since expanded coverage through the GBI Broad and the EMU Index. The developed markets indices also include the J.P. Morgan Cash Index, the US Agency Index, the Euro Linker Securities Index (ELSI), and the J.P. Morgan Municipal Bond Index (JMBI).\

The J.P. Morgan Collateralized Loan Obligation Index (CLOIE) is a benchmark designed to track the USD-denominated, broadly-syndicated, arbitrage CLO market. CLOIE is divided by time period of origination (pre versus post crisis) and is broken out further into six original rating classes (AAA, AA, A, BBB, BB, B). The CLOIE index is comprised solely of cash, arbitrage CLOs backed by broadly syndicated leveraged loans. CLOs that do not fit these criteria including Middle Market CLOs, ABS CDOs, Emerging Market CLOs, and Balance Sheet CLOs are ineligible for inclusion. The CLOIE index is rebalanced at the close of the last business day of each month, following the US holiday calendar.