



Collateralized Fund Obligations

A Discussion Among Experts From Kroll, Grosvenor, and Morgan Stanley

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Robert leads the Alternative Asset Advisory team focused on Collateralized Fund Obligations. He works closely with the secondaries team to assist private equity, leveraged loan, hedge fund and commercial real estate funds with the valuation of their assets and liabilities. He also assists a range of clients with the valuation of their private equity investments.

In addition to his PE and CRE related work, Robert's clients include hedge funds, credit funds, banks, and insurance companies. He assists them with the valuation of private equity, leveraged loans, structured products, and other forms of illiquid debt. He also advises on the valuation of a broad range of derivatives.

Robert received a Master in Financial Engineering degree from the Haas School of Business at the University of California, Berkeley and a BA in Economics from the University of California, Irvine.

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Mr. Morrison is Head of GCM Grosvenor Insurance Solutions, leading the firm's efforts to provide alternative investment solutions to insurance company balance sheets globally. Prior to joining GCM Grosvenor, Mr. Morrison was a Managing Director at Kohlberg Kravis Roberts & Co. where he co-led KKR's efforts in insurance company business development and helped provide solutions for KKR's insurance company asset management clients. Previously, he was a Vice President in Insurance Asset Management with Pacific Investment Management Company (PIMCO) where he was involved with insurance company asset raising and client coverage in both the US domestic market and the Bermuda market. Mr. Morrison received his Bachelor of Arts in Economics from Georgetown University and his Master of Business Administration in Finance and Accounting from the University of Chicago Booth School of Business. He volunteers his time as Vice Chairman of The Board of Trustees for Brooklyn Jesuit Prep, a middle school serving low-income families of diverse races, ethnicities, and faiths in the East Flatbush neighborhood of Brooklyn.

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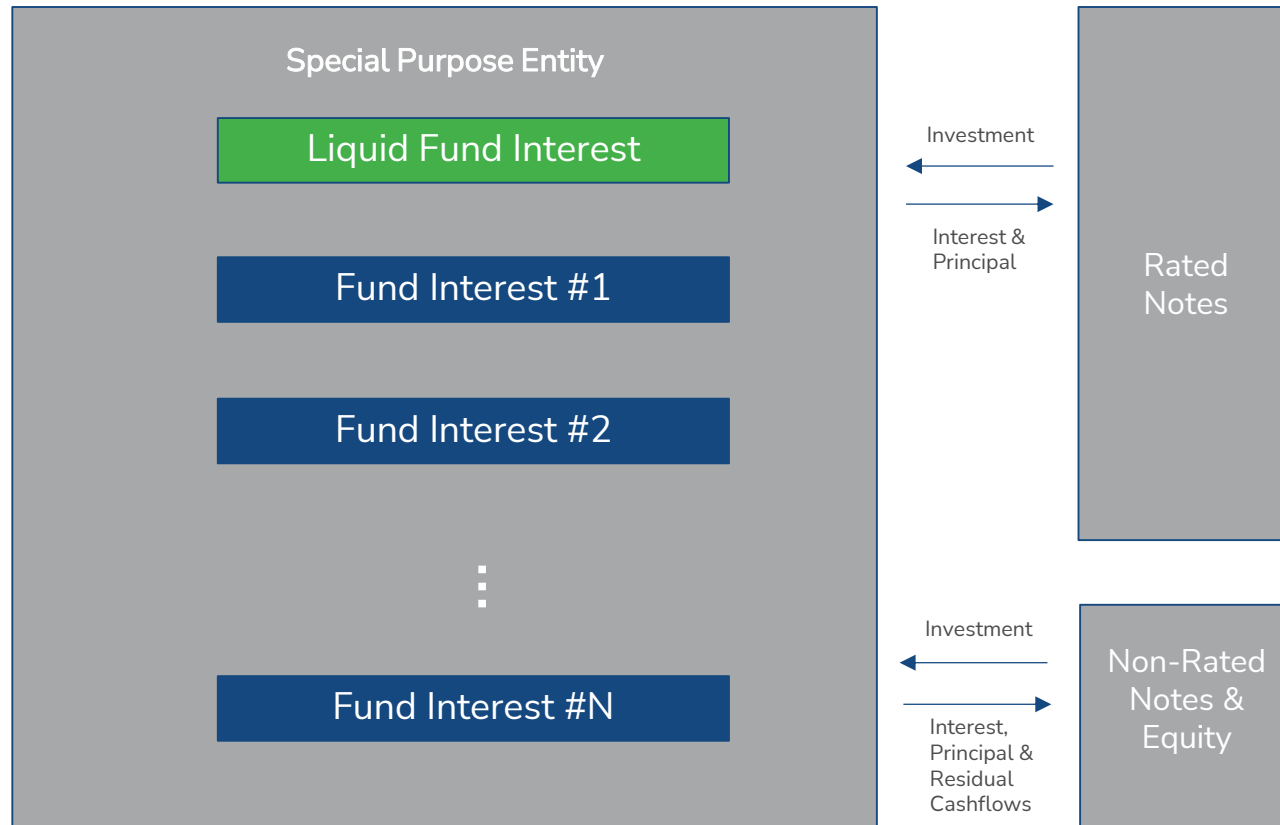
Seth Perlman is an executive director at Morgan Stanley. He is the head of Consumer and Esoteric Structuring for Securitized Products, focusing on transactions backed by limited partnership interests. In this role, he provides firm-wide structuring solutions to clients across lending, trading, and investment banking. Seth joined Morgan Stanley in 2014 as a member of the Securitized Products Group Structuring desk. He has since helped structure more than \$17Bn in debt backed by LP interests, consumer loans, and esoteric assets. Seth holds a B.A. in Physics from Princeton University.

Today's Agenda

1. What are collateralized fund obligations (CFOs)?
2. What purpose do CFOs serve?
3. Different types of CFOs – Focusing on Fund Raising CFOs
4. Who are the largest issuers, and why are they issuing CFOs?
5. Recent market overview
6. Who is investing in CFOs?
7. What are the different investment profiles of various tranches of CFOs?

What are Collateralized Fund Obligations?

Typical CFO Structure



- Collateralized fund obligations (“CFOs”) are investments backed by interests in private equity and other alternative investments
- CFOs often include an investment in a liquid fund that facilitates the payment of collateral funding, interest payments to notes, and scheduled principal payments.
- As investments return capital they augment the payment of interest and principal to the notes

What purpose do CFOs serve?

A look into collateralized fund obligations in today's market

Collateralized Fund Obligations connect the needs of investors and issuers

CFOs are:

- A financing tool for alternative investments, including private equity
- A liquidity alternative for fund managers
- An investment in alternative asset classes such as private equity with various degrees of leverage

What are different types of CFOs?

There are several types of Collateralized Fund Obligations

- This webinar will focus on CFOs

Who are the Largest Issuers of Collateralized Fund Obligations, and why are they issuing CFOs?

- Financing Opportunity for Fund Managers
- Alternative to Secondaries Sales
- NAIC Guidance

Market Overview

Growth of the CFO Market

- Pace of new deal issuance
- Breadth of new investors
- Rated Note Spreads

Who is investing in CFOs? What investors should be investing in CFOs?

- Investor Profiles
- Existing Opportunities
- Emerging Investment Opportunities

What are the investment profiles of various tranches of CFOs?

- Rated Notes
- Unrated Notes

Questions ?



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