



Operating at Scale

A Blueprint for CLOs, Private Credit, and Asset-Based Lending

 **computershare**



Contents

| | |
|--|--------|
| 0. Executive Brief | pg. 2 |
| 1. CLO Lifecycle Excellence: Precision at Every Stage | pg. 4 |
| 2. The Growth of Private Credit and What It Means for CLOs | pg.7 |
| 3. Leveraged Loans and ABL Facilities: Liquidity, Accuracy, Speed | pg. 9 |
| 4. Data Governance for Credit Platforms | pg. 12 |
| 5. Automation That Matters | pg. 17 |
| 6. Operating Metrics and Dashboards | pg. 19 |
| 7. Partner Selection Framework | pg. 21 |
| 8. Future Scenarios to Watch for | pg. 23 |
| 9. About Computershare and How We Can Help | pg. 25 |

Executive Brief

The operating complexities for leveraged loan transactions are ever rising. Collateral managers are overseeing larger portfolios through more complex structures while being responsible for tighter reporting timelines, granular investor questions, and closer scrutiny from market participants. The common thread is accuracy at speed.

What has changed in recent years



- Issuance and platform growth continued even through periods of uncertainty, with managers balancing risk against persistent demand from investors.
- Transaction types and complexities grew as many platforms expanded beyond BSL into private and middle market loans, increasing operational diversity and data management.
- Investors demanded more clarity, not only in results, but also the related data and calculations

What leaders should do in the next 90 days



- Map your lifecycle controls from deal setup through periodic distribution dates and verify where human checks are still the only line of defense.
- Define the primary sources for each data element and implement variance thresholds with alerting.
- Prioritize automation where it reduces break volume and cycle time without creating black boxes.
- Stand up a concise portfolio dashboard aggregating data breaks, test/data changes, deal calendars, and cash positions.

01

CLO Lifecycle Excellence: Precision at Every Stage

CLO operations succeed when data is clean, concentration and coverage calculations are constantly validated, and a clean evidence trail exists. Here's where precision matters most and how to maintain it from closing to periodic distribution dates.

Key areas

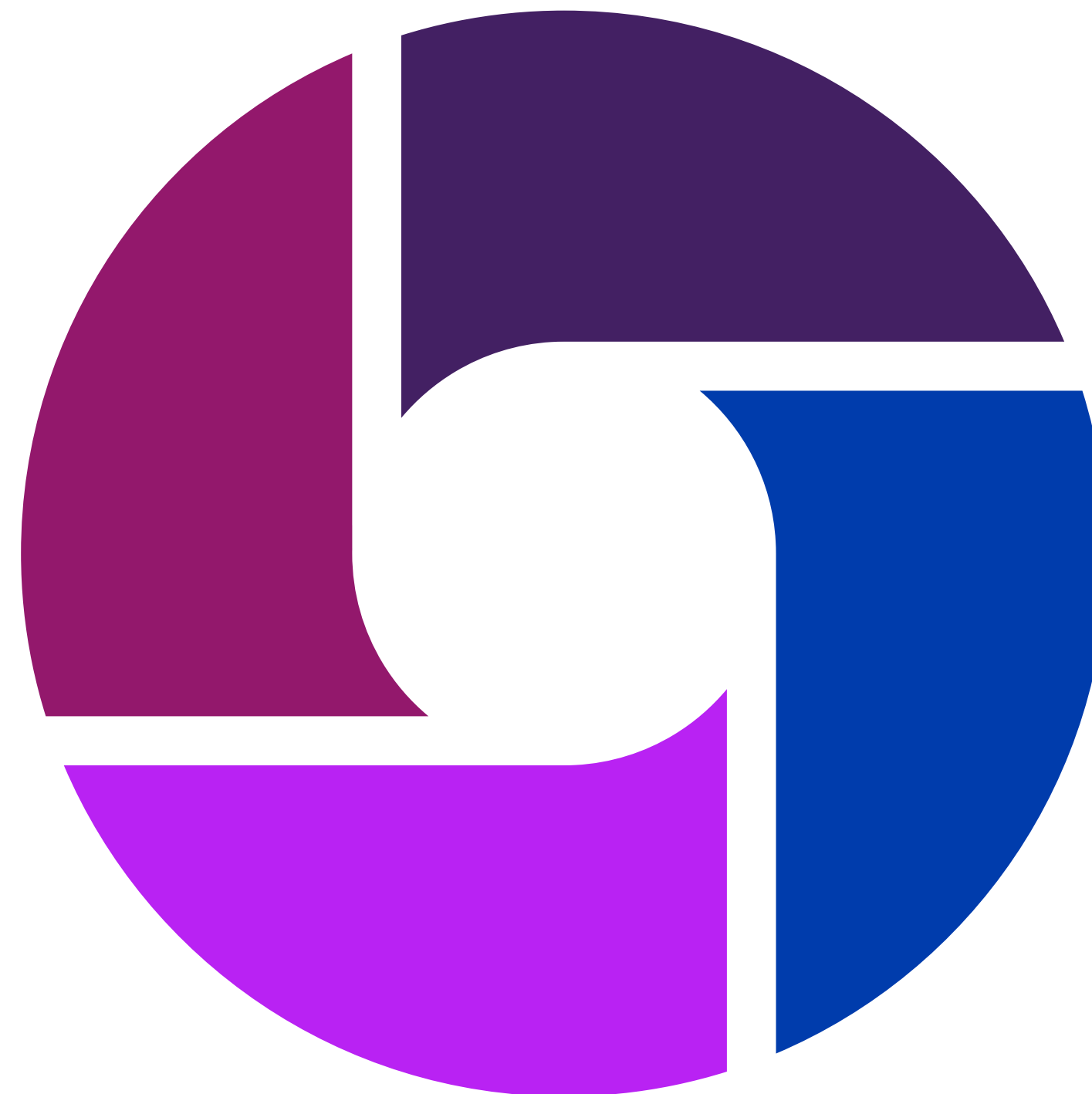
With precision in these key areas, managers can avoid the common pain points on the following page

Closing and initial setup

- Standardize day-one data ingestion and parameterization.
- Validate reference data, tests, triggers, and waterfalls against deal documents.
- Validate the closing flow of funds and data tie-out with deal parties.

Distributions and reporting

- Orchestrate tie-outs across cash, positions, and tests before investor deliverables.
- Provide drill-downs that reflect deal-specific fields rather than one-size-fits-all layouts



Portfolio administration and monitoring

- Maintain loan-level attributes, loan notices, P&L activity, and reconciliations with daily exception queues.
- Track amendments, assignments, and rate changes with lineage to the source documents.

Compliance and testing

- Automate recurring collateral quality and coverage tests with scenario handling for ineligibles and overrides.
- Enforce maker-checker review and retain calculation snapshots for audit.

Common CLO pain points to eliminate



- ⚠ Excessive manual intervention that introduces discrepancies and delays
- ⚠ Generic reporting that fails to reflect bespoke terms
- ⚠ Errors that flow into trustee, lender, or investor reports and damage credibility
- ⚠ Overloaded teams and ad hoc spreadsheets that are hard to govern



The Growth of Private Credit and What It Means for CLOs

The rise of private credit has reshaped how managers originate, monitor, and report. In 2024–2025, both Broadly-Syndicated Loans (BSL) and Middle Market (MM) issuance and AUM growth persisted despite Treasury volatility in the spring of 2025, tariff uncertainty, and spread volatility.¹ Even with caution around potential downgrades, the platform build-out continued. The result is more structures to administer, more tests to run, and more data to reconcile across custodians, administrators, and internal systems.

Operating consequences of more



Complexity creep

More tailored covenants and eligibility rules drive test proliferation and edge cases.



Data friction

Loan attributes, notices, corporate actions, and cash must tie out across multiple systems daily.




Reporting density

Investors want drill-downs that reflect deal-specific nuances, not generic templates.



People pressure

Back-office teams face higher ticket volumes, tighter closes, and the risk of burnout if processes stay manual.



Leveraged Loans and ABL Facilities: Liquidity, Accuracy, Speed

Liquidity only matters if availability is calculated accurately—especially when daily operational decisions need to be made quickly. In leveraged loans and Asset-Based Lending (ABL) facilities, that means collateral, capacity, and cash are tracked against primary data sources—not buried in spreadsheets.

In practice, accuracy and speed hinge on how models are set up, how events are managed, and how data is tracked and monitored.

1

Facility setup and borrowing base modeling

- Translate credit agreement terms into a living borrowing base model with clear ineligibles, advance rates, and concentration caps.
- Ensure support for complex collateral pools.

2

Event management

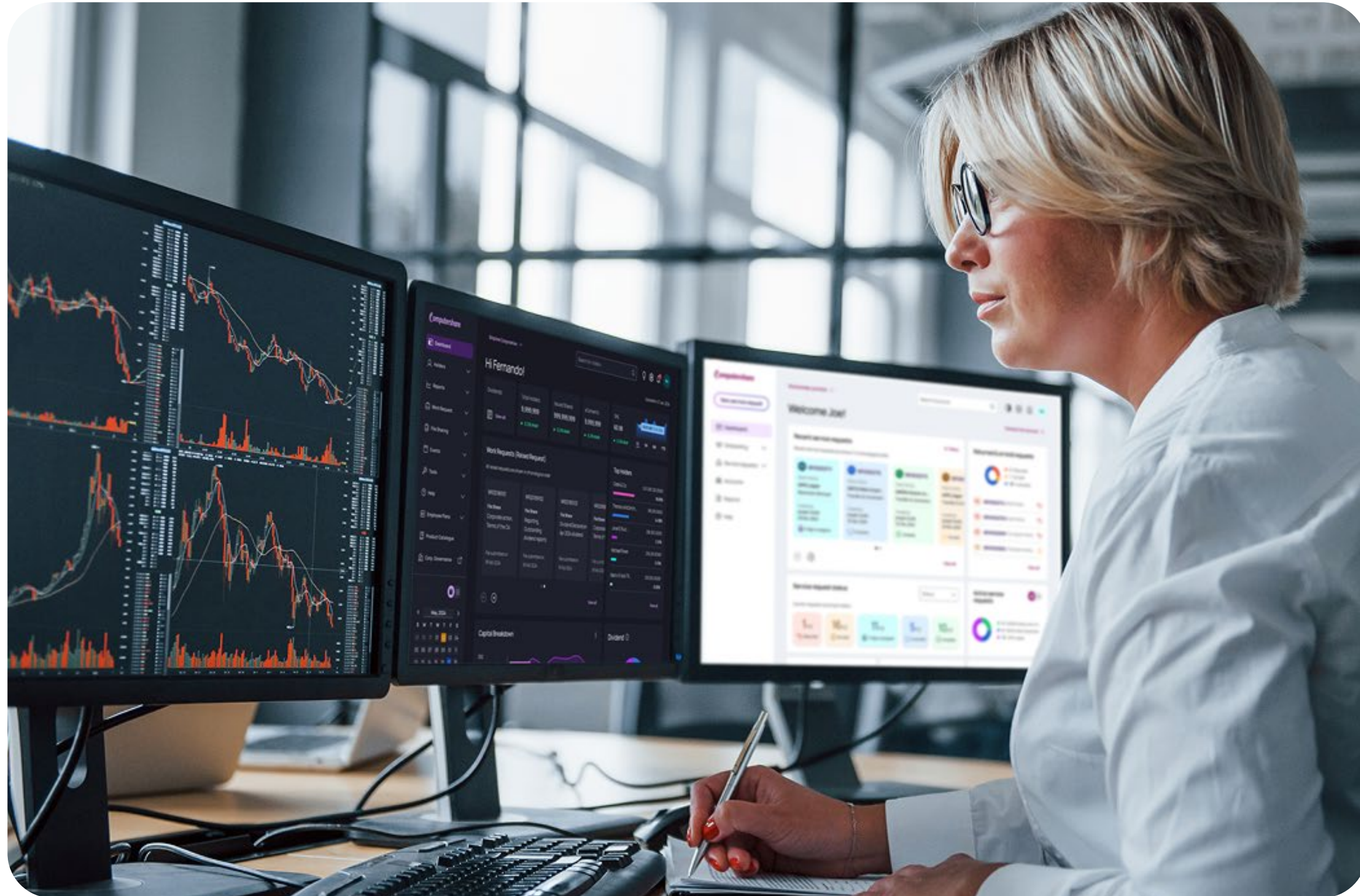
- Capture substitutions, amendments, extensions, and paydowns with proper approvals and version control.

3

Daily monitoring and reporting

- Provide near-real-time availability views tied to primary source data.
- Align internal dashboards with lender reporting to pre-empt variance disputes

Common ABL pain points to eliminate



- ⚠ Time-consuming spreadsheets that drift from the credit agreement
- ⚠ Concentration and ineligible calculations that are not reproducible
- ⚠ Delays that create liquidity friction and reputational risk

Data Governance for Credit Platforms

Effective data governance turns accurate reporting from a hope into a habit. For CLO, private credit, and asset-based lending facilities operations, it means every figure is tied to a clear definition, a single source, and a repeatable check.

For operations control teams and risk and compliance specialists, putting governance into practice means breaking it down into clear, repeatable steps:

1/4



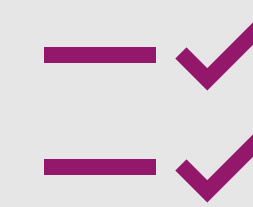
a) Define key fields

Set one plain language definition per field across teams. Examples: Eligibility Date, Par Amount, Advance Rate.



b) Declare primary data sources

Name the single system of record for each field and document basic lineage.



c) Set validation rules

List tolerances and cross checks, such as par ties to agency notice within a dollar; Eligibility Date cannot precede Funding Date.

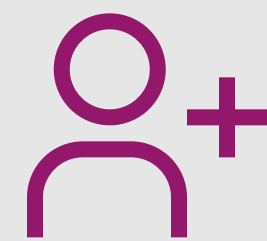


For operations control teams and risk and compliance specialists, putting governance into practice means breaking it down into clear, repeatable steps:



d) Map downstream use

Note where each field is consumed (tests, reports, models) so impact is understood before changes.



e) Assign ownership and cadence

Give every important field a steward and a review rhythm that matches its volatility.



f) Preserve evidence

Keep calculation snapshots, configuration histories, approvals, and change logs so numbers are reproducible.



For operations control teams and risk and compliance specialists, putting governance into practice means breaking it down into clear, repeatable steps:



g) Control access and changes

Enforce role-based permissions, maker-checker reviews, and versioning on critical logic.



h) Run daily controls

Track attribute match rates, cash and par breaks, and variance thresholds with alerts and clear ownership.



i) Close exception loops

Record cause and fix, date, and any policy or threshold updates that prevent repeat issues.



For operations control teams and risk and compliance specialists, putting governance into practice means breaking it down into clear, repeatable steps:



j) Bake it into operations

Reference definitions and checks in close checklists, onboarding materials, and audit packs.



k) Measure outcomes

Measure for fewer breaks, faster resolution time, zero restatements, and quick reproduction of reported figures.



Automation that Matters

Automation can reduce manual errors, speed up processes, and free teams to focus on higher-value work.

The key is knowing what to automate, what to keep manual, and how to measure results.

Where to start

- Recurring compliance and concentration tests
- Repeat reconciliations for cash, positions, and attributes
- High-volume alerts and threshold checks

Keeping a human in the loop

- Edge cases should be routed to the right reviewer with full context and a clear SLA timeframe for resolution.
- Allow for controlled overrides with reason codes and expiry.

Evaluating build versus buy

- Favor components that expose calculations, versioning, and exportability.
- Require interoperability with your upstream and downstream systems.

Important KPIs for automation

- Break reduction rate
- Close cycle time
- Percentage of exceptions cleared inside SLA
- Restatement frequency

Operating Metrics and Dashboards

Decision makers need accurate views of operational health and client portals can be an effective way of delivering the right information to them as needed.

The right information technology solutions should support managers with these key data points throughout deal lifecycles for quick, confident decision-making:



Daily

- Open breaks and exceptions by category
- Aged items and SLA at risk
- New notices and corporate actions received and processed



Monthly and quarterly

- Close time versus target
- Restatements and root causes
- Investor and lender query cycle time
- Automation coverage and effectiveness

Partner Selection Framework

Successful CLO and ABL management often involves having the right partners in your ecosystem. Selecting trustees, collateral administrators, and technology providers should follow a structured scorecard, not anecdotes.

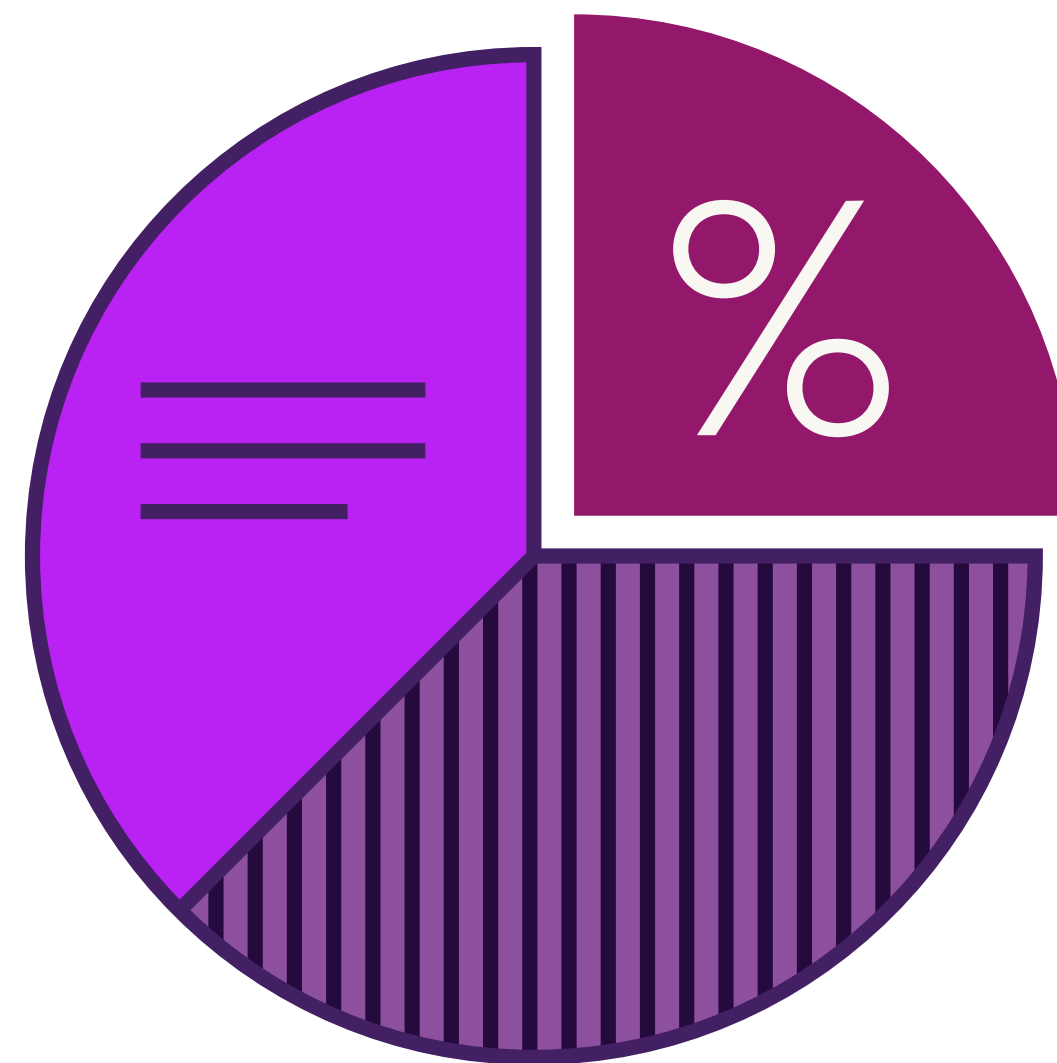
It's important to consider their capabilities, service model, and evidence standards before making a decision:

Capability matrix

- Data ingestion and primary source data integration
- Calculation engines for tests, waterfalls, and borrowing bases
- Reconciliation, workflow, and evidence capture
- Reporting flexibility and drill-downs

Proof-of-capability tests

- Parallel run of a recently closed transaction with data and compare breaks, cycle time, and restatements
- Running a borrowing base under stress scenarios and track variance explanations



Service model diligence

- Escalation paths, staffing ratios, and tenure
- Coverage hours and peak-cycle support
- Incident response and communication standards

RFP question set

- Show calculation transparency with a real example, including overrides and version history
- Demonstrate exception routing, resolution evidence, and SLA tracking
- Prove interoperability with sample files and APIs
- Provide anonymized audit artifacts for a completed close

Future Scenarios to Watch

Operational readiness depends on anticipating how the environment might change.

These scenarios highlight the pressures that could test your processes and how to prepare for them now.

1

Credit softening scenario

Higher downgrades and tighter tests raise exception volume. Validate capacity and automation coverage.

2

Spread compression scenario

Issuance picks up and closes tighten. Confirm scalability without headcount spikes.

3

Regulatory scrutiny scenario

More frequent evidence requests. Ensure your audit pack is export-ready at any time.



About Computershare and how we can help

The modern operating advantage is simple to state and hard to execute: accuracy at speed, with evidence. Teams that invest in disciplined, standardized and transparent data governance within well-defined rules, targeted automation, and measurable controls will move faster, reduce risk, and keep trust with investors and lenders.

What we offer



TrustConnect™ CLO-ABL Direct

A modern portal that supports drill-down reporting, calculation transparency, and workflow across CLOs and credit facilities, including precise borrowing base calculations and waterfall reporting for credit facilities

Depth

Expertise to tailor custom workflows for your evolving needs, enabling you to meet your financial objectives

Structured product coverage

Experienced staff across all varieties of structured products with problem-solving know-how derived from the capital markets, including deep expertise in asset and mortgage-backed securities

High-touch service

Dedicated teams who know the deals and can resolve inquiries quickly

The Computershare advantage



Fast transaction onboarding



Technology that reduces the risk of errors



Reporting that reflects the reality of your deal, not a generic template

The future of CLO and loan administration belongs to those who confidently embrace the uncertainties of tomorrow. With Computershare, you'll be certain of where your portfolio stands. With continuous investments in technology, we help our clients close transactions quickly and provide efficient transaction administration while maintaining the highest standards in customer service.

Contact us at www.computershare.com/corporatetrust to learn more.

Appendix

Glossary (selected)

- OC/IC Tests: Overcollateralization and interest coverage ratios that protect senior liabilities.
- Ineligibles: Assets excluded from availability under borrowing base rules.
- Advance Rate: Percentage of collateral value eligible for borrowing.
- Concentration Limits: Caps on exposure to obligors, industries, or asset types.
- Par Break: Difference between recorded and expected par amounts.
- Maker-Checker: Two-person control for critical actions or approvals.

Disclaimer

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

This document and any other materials accompanying this document (collectively, the “Materials”) are provided for general informational purposes. By accepting any Materials, the recipient thereof acknowledges and agrees to the matters set forth below in this notice. Computershare Trust Company, N.A. (“CTCNA”) makes no representation or warranty (express or implied) regarding the adequacy, accuracy or completeness of any information in the Materials. Information in the Materials is preliminary and is not intended to be complete, and such information is qualified in its entirety. Any opinions or estimates contained in the Materials represent the judgment of CTCNA at this time, and are subject to change without notice. Interested parties are advised to contact CTCNA for more information. The Materials are not an offer to sell, or a solicitation of an offer to buy, the securities or instruments named or described herein. The Materials are not intended to provide, and must not be relied on for, accounting, legal, regulatory, tax, business, financial or related advice or investment recommendations. No person providing any Materials is acting as fiduciary or advisor with respect to the Materials. You must consult with your own advisors as to the legal, regulatory, tax, business, financial, investment and other aspects of the Materials. Notwithstanding anything to the contrary contained in the Materials, all persons may disclose to any and all persons, without limitations of any kind, the U.S. federal, state or local tax treatment or tax structure of any transaction, any fact that may be relevant to understanding the U.S. federal, state or local tax treatment or tax structure of any transaction, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. federal, state or local tax treatment or tax structure, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or nonpublic business or financial information that is unrelated to the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer and is not relevant to understanding the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer. IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in the Materials is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

© 2025 Computershare. All rights reserved