



**Emad A. Zikry, President and Chief Executive Officer**

## **Structural Overview**

The structures used for both CBOs and CLOs are similar to traditional ABS structures. The issuing vehicle is usually a stand-alone, special purpose vehicle (SPV) or trust which purchases a pool of assets through the issuance of various tranches of debt and a portion of equity. Recent CLO/CBA transactions have used a master trust structure which permits the issuance of multiple series out of a single vehicle (similar to credit card master trusts).

Like credit card ABS, many CBO and CLO transactions include a “revolving period” during which collections on the collateral are reinvested in new assets. This is followed by an “amortization period” in which bond principal is repaid, either sequentially or in a single bullet payment. In certain structures, there is also a “ramp-up” period during which the initial collateral is purchased by the trust (this is similar to the “prefunding period” for ABS transactions).

Each transaction specifies an asset manager (similar to an ABS servicer), who is assigned the responsibility of actively managing the portfolio, subject to specific constraints. For CLO’s the asset manager is often an affiliate of the seller. For CBOs, the asset manager is usually a third-party asset management company, selected based on its track record for managing the asset classes in the collateral pool. The asset manager will frequently own a portion of the equity tranche, thus providing a continuing incentive to manage the collateral diligently. (Similarly, in most ABS, the issuer/servicer effectively owns the equity tranche through its rights to excess spread).

Vanderbilt Research Team

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Emad is the Managing Partner and Chief Executive Officer of Vanderbilt Avenue Asset Management LLC. Vanderbilt's client base includes Multi-national Corporations, Public Funds, Foundations/Endowments, and Taft Hartley accounts.

Previously, Emad was Chairman of Institutional Business at Pioneer Investments. Pioneer investments has more than \$300 Billion in assets under management. The parent of Pioneer, UniCredit S.p.A., is the largest bank in Italy and the second largest bank in Europe. Pioneer had purchased Vanderbilt Capital Advisors, of which Emad was the founder and Chief Executive Officer.

Emad has had numerous articles published in professional and academic journals such as The Journal of Forecasting, The American Economist and The Journal of Fixed Income. He is a Board member of The National Investment Company. Emad was a member of the Board of Advisors of the Pacific Institute, The Advisory Committee of Fulcrum Global Partners, The Chief Executive Officers Club and formerly a board member of The Foreign Policy Association. He also served on the Board of Directors of the University of Albany Foundation, NextGen Healthcare Inc., The Park Avenue Bank, AA Bank and The New Providence Fund and Associates LP.

Emad is an FINRA Arbitrator. He is also a member of the National Association for Business Economists and The Economic Club of New York. Emad served as an adjunct professor at the University of Kansas and St. John's University.

Emad holds a Bachelor of Science from the University of Albany, and a M.A. and Ph.D. in Economics from the University of Kansas.