Concord Music Royalties, LLC, Series 2024-1

$2,600,000,000 Asset Backed Securities consisting of
$1,750,000,000 Series 2022-1
$850,000,000 Series 2024-1

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Executive Summary

This pre-sale report summarizes Kroll Bond Rating Agency's (KBRA) analysis of Concord Music Royalties, LLC (the Issuer), Series 2024-1, a music royalty ABS transaction. This report is based on information as of October 8, 2024. The ratings listed below are preliminary and subsequent information may result in assigned ratings that differ from the preliminary ratings. This report does not constitute a recommendation to buy, hold, or sell securities.

Concord Music Royalties, LLC, Series 2024-1										
Class	**Rated Principal Balance ($000's)**	**Coupon**	**Series Allocation Factor**	**Note Advance Rate[1]**	**Class Advance Rate**	**Trust Advance Rate[2]**	**Anticipated Repayment Date**	**Final Maturity Date**	**KBRA Preliminary Rating**
A	850,000	TBD	32.4%	52.3%	51.9%	51.9%	October 2029	October 2074	A+ (sf)
Total	850,000								

[1] The Notes advance rate is calculated against the Series Allocation of the Catalog value

[2] The Trust advance rate is calculated against the total Catalog value

The Concord Music Royalties, LLC, Series 2024-1, Class A Notes (the Series 2024-1 Notes) represent the third series of notes by Concord Music Royalties, LLC. All series of notes share the same collateral pool. The proceeds from the Series 2024-1 Notes will be used to acquire approximately $217.3 million of collateral to be contributed to the securitization and to fully redeem the $500.0 million Series 2023-1 outstanding notes, among other purposes. Upon the redemption of the Series 2023-1 Notes, KBRA will withdraw the related ratings, and only the Series 2022-1 Notes and Series 2024-1 Notes will remain outstanding.

In conjunction with the issuance of the Series 2024-1 Notes, amendments to the existing transaction are expected to contemporaneously close. Amendments related to the Series 2022-1, Class A-1 Notes will include: (i) a reduction to the maximum VFN commitment amount to $100.0 million from $150.0 million; (ii) a reduction in the coupon from 3.50% + SOFR; and (iii) a shortening of the maturity date which will be brought forward by five years to January 2068 from January 2073. In addition, following the Issuer's October 2024 payment date, there will be a reduction in the debt service reserve required amount to six months from 12 months.

In conjunction with both the issuance of the Series 2024-1 Notes, and the associated addition of collateral, as well as various amendments to the transaction, KBRA expects to affirm its ratings on the Series 2022-1, Class A-1 Notes and Class A-2 Notes (the Series 2022-1 Notes, and collectively, with the Series 2024-1 Notes, the Notes). The outstanding ratings are consistent with the results of our cash flow analysis following the addition of the Series 2024-1 Notes and the associated addition of collateral, accounting for the amendments to the transaction.

Concord Music Royalties, LLC, Series 2022-1													
	Balance ('000s)				**Note Advance Rate[3]**						**KBRA Ratings**		
Class	**At Closing**	**Current**	**Coupon**	**Series Allocation Factor**	**At Closing**	**Current**	**Class Advance Rate**	**Trust Advance Rate[4]**	**Final Maturity Date**	**From**	**To**	**Action**
A-1 VFN[1,2]	$150,000	$100,000	TBD	67.6%	44.3%	51.7%	51.9%	51.9%	January 2068	A+ (sf)	A+ (sf)	Affirm
A-2	$1,650,000	$1,650,000	6.50%	67.6%	44.3%	51.7%	51.9%	51.9%	January 2073	A+ (sf)	A+ (sf)	Affirm
Total	$1,800,000	$1,750,000										

[1] Class A-1 VFN is assumed to be fully funded

[2] Following the close of the Series 2024-1 Notes, the maximum VFN commitment amount will be reduced to $100.0 million, its coupon reduced from 3.50% + SOFR, and the maturity shortened by five years to January 2068

[3] The Notes advance rate is calculated against the Series Allocation of the Catalog value

[4] The Trust advance rate is calculated against the total Catalog value

Concord Music Royalties, LLC, Series 2023-1												
	Balance ('000s)				**Note Advance Rate[1]**						**KBRA Ratings**	
Class	**At Closing**	**Current**	**Coupon**	**Series Allocation Factor**	**At Closing**	**Current**	**Class Advance Rate**	**Trust Advance Rate[2]**	**Final Maturity Date**	**From**	**To**	**Action**
A	$150,000	$0	3.15%	0.0%	20.7%	0.0%	0.0%	51.9%	October 2073	A (sf)	WR	Withdraw
B	$350,000	$0	3.85%	0.0%	69.0%	0.0%	0.0%	51.9%	October 2073	BBB (sf)	WR	Withdraw
Total	$500,000	$0										

[1] The Notes advance rate is calculated against the Series Allocation of the Catalog value

[2] The Trust advance rate is calculated against the total Catalog value

Transaction Overview

Alchemy Copyrights LLC and its subsidiaries (collectively, Concord or the Company) is a music company that traces its roots back to the Concord Jazz label, which was founded in 1973. Concord focuses on acquiring, producing, and managing music catalogs and theatrical music publishing rights from artists across the world, spanning multiple genres and vintages. As of 2023, Concord supports more than 125,000 artists and has a catalog that spans over 1.3 million songs. The majority shareholder in the Company is the State of Michigan's Retirement System. Concord's business is operated by a team of over 650 employees, with offices in the United States (Nashville, New York City, Los Angeles, Miami), Europe (London, Berlin), Australia (Sydney, Melbourne) and New Zealand (Auckland).

The transaction is collateralized by royalties from a music catalog (the Catalog) of content from over one million assets from top artists and songwriters, including R.E.M, Creed, Genesis, Phil Collins, Mike + The Mechanics, and Carrie

Underwood, which are among the largest in the Catalog by net publisher share (NPS) and net label share (NLS). Royalty payments include both publishing rights and sound recording rights.

This is the third series of notes issued by Concord Music Royalties, LLC.

- On December 23, 2022, the Issuer issued its first series of notes, the Series 2022-1 Notes, totaling $1.8 billion.
- On October 24, 2023, the Issuer issued its second series of notes, the Series 2023-1 Notes, totaling $500.0 million.
- On July 2, 2024, additional collateral was contributed into the securitization, in connection with the Company's 2023 acquisition of the Round Hill Music Royalty Fund Limited assets and the Mojo Music and Media assets (collectively, the Round Hill & Mojo Assets). No new notes were issued at the time in conjunction with this collateral addition. Following the contribution of the additional collateral, KBRA conducted a surveillance review and affirmed the ratings.
- On the Series 2024-1 issuance date, the Issuer will issue $850.0 million of additional notes. As permitted under the base indenture the Issuer may issue additional classes of notes provided that certain conditions are met, including, but not limited to, Rating Agency Confirmation and trust advance rate (which is measured by the outstanding note balance of all series/classes of notes divided by the collateral value) being less than 60%. As of the Series 2024-1 closing date, these conditions will be met, including the trust advance rate, which, after the Series 2024-1 issuance, will be 51.9%. In conjunction with the issuance of the Series 2024-1 Notes, the Series 2023-1 Notes will be repaid, and further collateral will be contributed to the securitization, in connection with the Company's 2024 acquisition of a catalog of assets by a highly successful Latin Music artist and songwriter (the Recently Acquired Single Artist Catalog Assets). In addition, as stated previously, various amendments to the transaction will become effective.

As of December 31, 2023 (the Valuation Date), the Valuation Agent determined a valuation of $4.2 billion for the existing assets in the securitization prior to the addition of the Round Hill & Mojo Assets and the Recently Acquired Single Artist Catalog Assets (the Initial Closing Date Assets), using a discounted cash flow method with an 8.25% discount rate assumption for catalog content and 11.75% for recorded music frontline content and options for future releases with contracts that have been signed as of the Valuation Date. Frontline releases reflect cashflows of recently recorded and released music with little or no history. Options are exercisable contractual rights for future recorded music and releases from artists in the Catalog. In determining the value, no credit was attributed to revenue generated by name, image, and likeness rights. Additionally, the Round Hill & Mojo Assets and the Recently Acquired Single Artist Catalog Assets were valued at $606.3 million and $217.3, respectively, as of the Valuation Date by the Valuation Agent, under the same discount rates as those used in the valuation of the Initial Closing Date Assets. In aggregate, the Catalog valuation is $5.1 billion.

Proceeds from the Series 2024-1 issuance will be used in part to repay the Series 2023-1 Notes, acquire the new asset, fund reserve accounts as needed, pay certain transaction expenses, and other general corporate purposes. The Notes pay interest on a quarterly basis and are not scheduled to pay down principal prior to the anticipated repayment date (ARD) for the Notes. For the Series 2022-1 Notes, the ARD is in April 2026 for the Class A-1 Notes (assuming that the two extension options are not exercised) and January 2028 for the Class A-2 notes. For the Series 2024-1 Notes, the ARD is in October 2029. Prior to the ARD, the only required principal payments are to maintain compliance with the borrowing base requirement, which is a function of the note advance rate and the collateral value derived from the annually updated valuation.

The transaction parties are listed below:

Transaction Parties	
Issuer	Concord Music Royalties, LLC
Manager	Concord Music Group, Inc.
Back-Up Manager	FTI Consulting, Inc.
Trustee / Calculation Agent	The Bank of New York Mellon
Parent	Alchemy Copyrights LLC

Key Credit Considerations

Large, Diversified Catalog with Globally Recognized Songs and Artists The Catalog is diversified by artist, region, and vintage. The Catalog includes more than one million musical compositions, master recordings, and related assets. Some of the larger (by NPS/NLS) high-profile artists/songwriters in the Catalog include the Plain White T's, Creed, Genesis, Phil Collins, Mike + The Mechanics, R.E.M., and Carrie Underwood. The Catalog's income includes publishing royalties and sound recording royalties. An independent third party valued the portfolio at $5.1 billion, which represents the combined valuations of the Initial Closing Date Assets, the Round Hill & Mojo Assets, and the Recently Acquired Single Artist Catalog Assets, as of the Valuation Date, using a discounted cash flow method based on cash flow forecasts. A valuation agent will revalue the portfolio each year for the duration of the transaction. Revenue generated within the United States represents 64.5% of gross collections, followed by Europe, not inclusive of the United Kingdom, at 14.1%, and the United Kingdom at 8.8%.	+
Experienced Manager The Manager for this transaction is Concord Music Group, Inc., a music investment company that was founded in the early 1970's as Concord Jazz by Carl Jefferson, who was an American jazz record producer. Concord focuses on acquiring music catalogs and theatrical music publishing rights from artists across the world. Concord's management team has over 60 years of combined experience in managing and acquiring music rights.	+

Transaction Structure

The transaction benefits from credit enhancement levels that are sufficient to withstand KBRA's rating stresses, as well as structural triggers.

- **Overcollateralization:** The overcollateralization to the Notes is based on the initial series allocation (approximately 68% for Series 2022-1 and 32% for Series 2024-1) of the present value of the valuation forecast by the Valuation Agent. Initially there is 48.2% overcollateralization to the Series 2022-1 Class A notes (assuming a fully drawn Class A-1 VFN), and 47.7% overcollateralization to the Series 2024-1 Class A Notes. To maintain compliance with the LTV Cash Sweep trigger detailed below, the Series 2022-1 Notes and Series 2024-1 Notes will need to maintain at least 40% overcollateralization.
- **Debt Service Reserve Account:** Each Series will have a Debt Service Reserve Account that is sized to cover six months of interest for the Notes in each Series, which is subject to change under future Series issuance (with investor and rating agency notice) and may be satisfied in whole or in part by a Letter of Credit. The Debt Service Reserve Account required size was initially 12 months of interest at the Series 2022-1 and Series 2023-1 closing dates; however, on the October 2024 payment date, the Trustee will withdraw funds from the Debt Service Reserve Account to bring the balance down to six months of Notes interest and contribute them to the applicable Series waterfall; the required size will be six months of interest from that point onwards.
- **Contingent Liability Reserve Account:** On the closing date of the Series 2024-1 Notes, the Issuer will deposit $20.0 million into a Contingent Liability Reserve Account, which will be used to cover third-party payments that are owed from January 2025 to July 2025. It should be noted that the total amount of third-party payments owed is $68.6 million, of which $48.6 million will be covered by collections between July 2025 and July 2027. KBRA has assumed payment of the $48.6 million in our cashflow analysis.
- **DSCR Triggers:** The DSCR is calculated as the net cash flow over the preceding four quarterly collection periods to the aggregate amount of interest payable on the Class A Notes. If the trigger breaches in one Series, the trigger will automatically be breached in the other Series as well. The table below summarizes the Cash Trap and Rapid Amortization Triggers based on the DSCR.

Series	50% Cash Trap	100% Cash Trap	Rapid Amortization*	Rapid Amortization
2022-1 & 2024-1	<1.40x but ≥ 1.30x	<1.30x	1.15	1.05

*cures after two periods of compliance; is only curable twice

+

▪ **LTV Cash Sweep Trigger:** Prior to the ARD, principal payments are required to be made from available funds to maintain compliance with the applicable LTV Ratio, which is a function of the Notes' advance rates and the collateral value derived from the annually updated valuation. In the event that the trigger is breached, principal payments will be made on the Notes until the Notes are in compliance with the 60% LTV Ratio. ▪ **Series Leverage Trigger:** The series leverage ratio is calculated as the ratio of (i) the outstanding total note balance minus the liquidity reserve balance, cash trap balance, and the collections net of expenses to (ii) the sum of the collections for the proceeding four payment periods. If the Series 2022-1 Notes series leverage ratio is greater than 12.00, a curable Rapid Amortization Event will occur. Similar to the Series 2023-1 Notes, there will be no series leverage ratio trigger for the Series 2024-1 Notes. ▪ **Excess Cash Flow:** The discount rate applied to the transaction valuation by the Valuation Agent is higher than the sum of interest rate and fees on the debt. The difference between the two will create excess cash flow.	
Series Allocation For purposes of the LTV Ratio calculation, the Catalog valuation will be split between the Series 2022-1 Notes and Series 2024-1 Notes based on the total outstanding note balance for each series divided by the series credit enhancement. The series credit enhancement is a fixed value for each Series and is 40% for both the Series 2022-1 Notes and the Series 2024-1 Notes. The initial Catalog series allocation is approximately 68% for Series 2022-1 and 32% for Series 2024-1 at issuance. For purposes of the Catalog cashflow allocation to each series, Catalog cashflows net of expenses will be allocated based on the total outstanding note balance for each series divided by the series credit enhancement and the percentage of senior note interest each series owes.	**-/+**
Frontline Releases and Options Rights Following the close of the Series 2024-1 Notes, approximately 1.5% of the Catalog (compared to 1.7% following the close of the Series 2023-1 Notes) will be made up of frontline releases, which reflect cashflows of recently recorded and released music with little or no history, and options rights, which Concord can exercise for rights of future recorded music and music publishing releases from artists in the catalog. Options have the potential to provide upside to the transaction but are not guaranteed contractual royalties at this time. Both frontline releases and options rights could provide additional, future cash flow that is available to the transaction. However, it is significantly more difficult to project. The valuation for the Catalog does give credit to the frontline releases and options and is therefore reflected in the LTV Ratio calculation. KBRA did not give any cash flow credit to frontline releases or options in its Cashflow Modeling stresses.	**+/-**
Independent Valuation Analysis KBRA received portfolio valuations prepared by the Valuation Agent for the three sub-catalogs that make up the Catalog. The valuation forecasts long-term cash flow for the securitized portfolio based on several factors including, but not limited to, royalty rates, industry dynamics, individual songs or sub catalogs, and terminal growth and decay rates. In conjunction with our analysis, KBRA utilized a third-party consultant to review the assumptions and methods used in producing the valuation. As described in the Rating Analysis & Cash Flow Modeling section of this report, KBRA used the valuation in calculating its estimate of sustainable cash flow through the legal final maturity date of the notes. An eligible Valuation Agent will provide an annual valuation report over the life of the transaction, which is used to determine the borrowing base, as well as compliance with structural triggers. A nationally recognized accounting or valuation firm may be selected by the Manager from time to time in accordance with the Management Standard.	**+**
Music Administration & Royalty Sources Concord acts as the administrator for both the sound recording rights and music publishing rights. Concord has engaged UMG Commercial Services, Inc. to provide distribution and exploitation services for the majority of the sound recording rights. In this transaction, the administrator and its affiliates or agents collect royalties and licensing fees from the applicable collective management organizations (those who collect royalties from applicable payors and licensees, based on royalty type) and payors (those who exploit the copyrights and are the source of the royalties) on behalf	**+/-**

of the copyright holder. In return, the administrator takes a commission fee for its services. Such fees in the subject transaction are relatively in-line with those charged by other third-party administrators in the industry. The administrator is responsible for remitting the royalties and licensing fees to the collection account on a quarterly basis. If the administrator were to become subject to bankruptcy proceedings, the transaction may experience delays in payments. A replacement administrator may be appointed if the administrator materially breaches its obligations. This may cause delays in cashflow receipts and may increase expenses if the replacement third-party administrator charges a higher rate than the original administrator. However, the transaction also has a six-month interest reserve available to cover interest payment during periods of delays in collections. Additionally, certain asset-owning entities in the ABS have direct payment arrangements whereby certain royalties or licensing fees are remitted directly by the licensee to the asset-owning entity. These direct payments allow for a small portion of monthly cash to be paid directly to the ABS outside of other quarterly collections, which also helps to further mitigate any delay in payments. For further details on collective management organization and payor concentration, see Collateral Analysis.	
Streaming Trends Streaming is one of the primary drivers of music industry growth and represents the majority of royalty cashflows generated by the Catalog. Streaming revenues continue to represent a positive tailwind to industry growth and catalog cashflow, even as streaming growth rates have begun to decelerate. Streaming growth declines are not uniform across all markets, with saturation having more of an impact on developed markets versus undeveloped markets. Even in markets that may be reaching a level of subscriber saturation, this is offset to some extent by generally positive pricing trends. Positive rate trends are evidenced in the recent Copyright Royalty Board (CRB) rate increases. Recently, Spotify has announced that, under the Phonorecords IV ruling by the CRB, it intends to switch to a "bundle" service instead of purely a music streaming service, utilizing the audiobooks they offer as justification. This will reduce the amount paid in mechanical royalties to songwriters due to the fact that the premium payment plan payments, which are the primary driver of mechanical royalties, from customers will now be split between musical works and audiobooks. In the valuations of the Round Hill & Mojo Assets and the Recently Acquired Single Artist Catalog Assets, the Valuation Agent made a downward adjustment to the royalties that would be attributable to Spotify, based on the royalty composition and the market share of Spotify. While the downward adjustment was not made to the valuation of the Initial Closing Date Assets due to the timing of the valuation relative to the announcement, KBRA considered Spotify's bundling plan when conducting its cash flow modeling analysis.	**+/-**
IP Transferred to the Trust and its Subsidiaries The Collateral consists of copyrights in sound recordings and musical compositions as well as the equity in the entities that own or otherwise have rights to the applicable copyrights in the sound recordings and compositions. Any collateral not already contributed to the securitization will be transferred to the Issuer and its subsidiaries prior to the Series 2024-1 closing date. The rights of the Issuer group in the intellectual property should therefore not be affected by a bankruptcy of the sellers. Certain works in the Catalog may be subject to termination under statute prior to the legal final payment date. Under the U.S. Copyright Act, an artist or songwriter can typically recapture ownership of the copyright in their works 35 years after the date of the grant (if the grant was made after 1978). In addition, a certain portion of the catalogs are subject to contractual reversion or termination prior to the legal final payment date. The valuation made certain assumptions with respect to contract renewals and applied certain cashflow haircuts to these catalogs. The copyright with respect to certain works in the Catalog will expire and enter the public domain prior to the legal final payment date. KBRA assumed that such works would not receive cashflows after they entered the public domain.	**+/-**
Litigation Risk & Regulatory Environment There is one outstanding lawsuit relating to the Recently Acquired Single Artist Catalog Assets which is being contributed as part of this transaction. The lawsuit involves a copyright	**+**

infringement claim against several artists in the Latin Music genre, and the artist has been covering all legal costs in connection with this litigation. The Copyright Royalty and Distribution Reform Act of 2004 (CRDRA) established the CRB, which oversees copyright law statutory licenses. The CRB judges determine and adjust royalty rates and terms applicable to statutory copyright licenses, oversee the distribution of royalties deposited with the Copyright Office by certain statutory licensees, and adjudicate controversies relating to the distributions. In 2018, the CRB had increased mechanical streaming royalty rates that digital service providers (DSP) are required to pay songwriters and other copyright owners for the 2018-2022 period. The CRB rate-setting process was challenged by the streaming services, and it was uncertain whether the aforementioned rate increases would be implemented. However, in July 2022, the CRB re-affirmed the rate increases, which should benefit the transaction. In December 2022, the CRB published streaming royalty rates for the 2023-2027 period, with the headline rate increasing from 15.1% in 2023 to 15.35% in 2027. The increase in the headline rates should benefit the transaction's cash flows.	
Potential Impact of Foreign Currency Fluctuation Approximately 34% of the Catalog payments were in non-U.S. currencies as of December 31, 2023, and the transaction lacks hedging mechanisms to address this risk. This concentration has not meaningfully changed since the closing of the first draw. The non-US currencies are largely derived from Europe and the United Kingdom. The majority of incoming cashflows for those who own recorded music are streaming revenues. These revenues are paid monthly by the digital service providers (DSPs) such as Spotify, Apple Music, Amazon Music, and TIDAL. The DSPs have generally been able to re-price their subscription costs (which are the main driver of how much royalties they pay out) each year when a region's currency weakens materially. Based on the ability to re-price globally, currency fluctuations are seen as a short-term risk, rather than a long-term risk for the transaction's cashflows. The diversification of the catalog geographically helps to mitigate short term shifts in cashflows due to foreign currency fluctuations.	**-/+**
Backup Manager The Management Agreement contains manager termination events, including breaches of representations and warranties, breaches of covenants and bankruptcy events. If the Manager is terminated, FTI will step into the role of managing the portfolio of assets. FTI is experienced in the industry and has served in the role in other ABS securitizations in the asset class. Although FTI has been assigned as backup manager, there is no obligation to supervise, monitor or administer the performance of the Manager. On each determination date, the Backup Manager will receive the estimated payment schedule in which the Manager calculates the projected principal and interest payments for the Notes. FTI will not receive any additional detail and will operate essentially as a "cold" backup. As a mitigant, the responsibilities of the Manager are fairly standardized within the industry and the securitization is not dependent on additional assets being generated.	**+**
Recycled Entities The asset owning entities in the transaction are recycled entities. Many of these entities were formed as single purposes entities for specific acquisitions. A few were formed as operating companies with employees. Many of the recycled entities were not initially created for use in a securitization but were converted into special purpose entities by amending their organizational documents in a manner consistent with a typical asset backed securitization. The transaction could be impacted by any existing liabilities that the recycled entities are subject to, including any indemnities under any prior financings and other transactions. KBRA notes that customary lien searches were conducted, and certifications will be provided with respect to any ongoing liabilities.	**-**

Key Changes since Closing of Series 2023-1

Transaction Structure	
Series 2022-1, Class A-1 Notes	The maximum VFN commitment of the Series 2022-1, Class A-1 Notes will be decreased to $100.0 million from $150.0 million, the coupon will be decreased from 3.50% + SOFR, and the maturity date has been brought forward from January 2073 by five years to January 2068.
Series 2023-1 Notes	The Series 2023-1 Notes will be repaid in full in conjunction with the issuance of the Series 2024-1 Notes.
Series 2024-1 Notes	In accordance with the base indenture the issuer may issue additional classes of notes provided that certain conditions were met. These conditions include, among other things, Rating Agency Confirmation and the trust advance rate being less than 60%. Following the additional issuance of $850.0 million, the trust advance rate is 51.9% and KBRA expects to affirm the ratings on the Series 2022-1 notes. Detail on the terms of the Additional Issuance can be found here.
Advance Rate for Series 2022-1 Notes	The advance rate for the Series 2022-1 Class A Notes has increased from 51.7% to 52.3% due to the fact that the advance rate is calculated against the series allocation of the value of the collateral, rather than the entire value of the catalog. With the addition of the Series 2024-1 Notes and the paydown of the Series 2023-1 Notes, the allocation factor for the Series 2022-1 Notes has decreased from 83% to 68%, causing the subsequent increase in advance rate despite the Catalog value increasing since the close of the Series 2023-1 Notes. A comparison table showing the advance rates post-close of the Series 2023-1 Notes and Series 2024-1 Notes is shown below. The trust advance rate has decreased from 54.7% to 52.9%.

Series	Class	Note Advance Rate at Series 2023-1 Close*	Note Advance Rate at Series 2024-1 Close
2022-1	A-1 VFN	51.7%	52.3%
2022-1	A-2	51.7%	52.3%

* the Class A-1 VFN at the Series 2023-1 Close had a maximum commitment amount of $150,000,000

Triggers	The Series 2022-1 Notes will be affected by the Series 2024-1 Notes rapid amortization triggers and vice versa; if the rapid amortization trigger(s) for one series is breached, the triggers applicable to the other series will also be breached.
Debt Service Reserve Account	The required Debt Service Reserve will be six months of interest on the Notes vs. 12 months of interest on the Notes following the close of the Series 2023-1 Notes. On the October 2024 payment date, the Trustee will withdraw funds from the Debt Service Reserve Account to bring the balance down to six months of Notes interest and contribute them to the applicable Series waterfall; the required size will be six months of interest from that point onwards.
Collateral	
Valuation	The Catalog value has increased from $4.2 billion to $5.1 billion due to the contribution of the Round Hill & Mojo Assets and the Recently Acquired Single Artist Catalog Assets to the Catalog, and the value of the Initial Closing Date Assets staying approximately the same value due to the assets performing in line with expectations.

Transaction Performance

The transaction initially closed in December 2022 with the Series 2022-1 Notes, followed by the closing of the Series 2023-1 Notes in October 2023. The transaction pays interest and, when applicable, principal, on a quarterly basis. Additionally, KBRA's most recent surveillance review of the Series 2022-1 Notes and Series 2023-1 Notes was completed in July 2024 and can be found here.

Triggers: As of the latest payment date in July 2024, all triggers are in compliance, including the rapid amortization conditions, events of default, manager termination events, and cash trap conditions. The latest DSCR for the Series 2022-1 Notes is 1.96x. The latest DSCR for the Series 2023-1 is 2.18x.

LTV: As of the latest payment date in July 2024, the LTV of the Series 2022-1 Notes relative to the overall Valuation of the collateral has increased to 50.2% from 44.3% (following the Series 2022-1 closing) due to the issuance of the Series 2023-1 Notes reducing the allocation factor of the Series 2022-1 Notes to 83% from 100%. However, it should be noted that between the July 2024 payment date and the issuance of the Series 2024-1 Notes, the Round Hill & Mojo Assets were contributed to the collateral pool and the LTV of the Series 2022-1 Notes decreased to 43.9%. Similarly, the LTV of the Series 2023-1 Notes prior to their paydown (but after the Round Hill & Mojo Assets were contributed) was 17.8% for the Class A Notes and 67.7% for the Class B Notes.

Collections: The Catalog cashflows in the latest collection period are approximately $62.4 million, which is in line with the initial projection based on the Valuation report as of the Series 2023-1 closing.

KBRA Process

KBRA analyzed the transaction using the General Global Rating Methodology for Asset-Backed Securities, as well as its Global Structured Finance Counterparty Methodology and ESG Global Rating Methodology. This transaction falls within "Category 1 – Financial Assets" categorization noted within the General Global Rating Methodology for Asset Backed Securities, which typically relates to transactions that are backed by pools of consumer or commercial financial obligations owed by diverse obligors. In applying the methodologies, KBRA analyzed the Catalog's historical data, and third-party reports. The capital structure was tested by applying stressed assumptions in KBRA's cash flow analysis of the transaction.

Company Highlights

The information in this section is based on materials provided by the Issuer and/or public sources.

Alchemy Copyrights, LLC (d.b.a Concord) and its affiliates is a music company that traces its roots back to the Concord Jazz label founded in 1973. Concord focuses on acquiring, producing and managing music catalogs and theatrical music publishing rights from artists across the world, spanning multiple genres and vintages. Concord's business is operated by a team of approximately 600 employees with offices in the United States (Nashville, New York City, Los Angeles, Miami), Europe (London, Berlin), Australia (Sydney, Melbourne) and New Zealand (Auckland).

Concord has three major business segments: Recorded Music, Music Publishing, and Theatricals. The recorded music and music publishing businesses focus on developing, managing, and acquiring high quality and diverse catalogs, with their overall catalog holding many of the most streamed songs in the world and multiple Grammy winners. Concord's revenues continue to shift towards streaming and digital growth, with the increase in the user base of music subscription platforms driving the shift. For recorded music, Concord has a distribution agreement with Universal Music Group, who have been their worldwide distributor since 2005. For music publishing, Concord works directly with all North American and European societies and music rights organizations to collect royalties, as well as working with smaller publishers across the rest of the world.

KBRA has previously met with key members of management which include the company CEO Bob Valentine, CFO Kent Hoskins, and General Counsel Amanda Molter, who together have over 60 years of combined experience in the music industry. Biographies for Mr. Valentine, Mr. Hoskins, and Ms. Molter appear below.

Bob Valentine, CEO
Mr. Valentine has over 20 years of experience in the music industry and is responsible for furthering Concord's acquisition business and guiding its overall business strategy. Prior to his role as CEO, Mr. Valentine served as Concord's President, overseeing the acquisition of a variety of music and theatrical rights. Earlier in his career, Mr. Valentine worked in investment banking at Morgan Stanley. Mr. Valentine received his MBA from UCLA and his bachelor's degree from the University of Notre Dame.

Kent Hoskins, CFO
Mr. Hoskins is responsible for Concord's financial health and approving any music rights acquisitions. Prior to his role as the CFO of Concord's overall business, he served as the CFO of Concord Publishing and Theatricals, where he acquired several high-profile music catalogs. Mr. Hoskins started his career in the music industry in 2001 as a financial controller for Boosey & Hawkes Music Publishers. Mr. Hoskins holds a bachelor's in commerce in Accounting from the University of Canterbury.

Amanda Molter, General Counsel
Ms. Molter has served as Concord's General Counsel since January 2022. Prior to her role at Concord, Ms. Molter was Director and Assistant General Counsel at Barings LLC, where she advised Barings' Alternative Investments Group on a wide range of private equity matters. Ms. Molter holds a B.S. from the University of California, Davis, and a J.D. from UCLA School of Law.

Collateral Analysis

The Catalog consists of over one million compositions, with many top songs by NPS or NLS receiving multiple accolades. The Catalog is diversified among many different artists and songwriters. The Catalog is also diversified across format and income types, which mitigates concentration risk within the pool. It is also well-seasoned and spans several different genres. Stratifications are based on 2023 NPS & NLS with the exceptions of sound recording royalty source stratifications and payor stratifications, which are based on 2023 revenue.

Royalty Source	Music Publishing	Sound Recordings
Streaming	39.6%	65.8%
Physical	5.0%	13.6%
Performance	35.5%	10.1%
Other	5.1%	4.1%
Sync	14.8%	3.9%
Download	0.0%	2.4%

Vintage	Music Publishing	Sound Recordings
2020-2023	3.3%	5.6%
2015-2019	21.7%	12.8%
2010-2014	12.1%	11.4%
2005-2009	4.7%	9.8%
200-2004	3.7%	8.8%
Pre-2000's	54.6%	51.5%

Top Payors / CMOs	Music Publishing	Sound Recordings
Payor 1	11.1%	74.8%
Payor 2	7.4%	4.3%
Payor 3	7.9%	3.6%
Payor 4	6.5%	1.8%
Payor 5	6.1%	1.7%
All Other Payors	61.0%	13.9%

Top Titles	Type	% of Total
Song 1	Composition	1.6%
Song 2	Sound Recording	1.4%
Song 3	Sound Recording	1.0%
Song 4	Composition	0.8%
Song 5	Composition	0.8%
All Other Songs	NA	94.4%

Catalog Valuation

The Valuation Agent has valued the total Catalog at $5.1 billion as of the latest valuation date. This an increase from the valuation as of the closing of the Series 2023-1 Notes in March 2023, where the Catalog was valued at $4.2 billion. This is primarily driven by the addition of the Round Hill & Mojo Assets (valued at $606.3 million) and the Recently Acquired Single Artist Catalog Assets (valued at $217.3 million) to the Catalog following the Series 2023-1 closing. Additionally, the valuation of the Initial Closing Date Assets has not meaningfully changed to due to performance in line with expectations.

In conjunction with its rating process, KBRA had a virtual meeting with the Valuation Agent to discuss its processes and approach to valuing the collateral and has met with them regarding prior rated transactions as well. The Valuation Agent is purportedly among the largest firms in the industry. During the call the Valuation Agent discussed its discount rates, royalty income sources including streaming growth, and other meaningful components of the cash flow projections in the valuation.

The Valuation Agent used the income approach and assumed a discounted net present value of projected long-term free cash flow of 8.25% for the Catalog released music portion and 11.75% for the options and new release portion of the Catalog. This approach is the prevailing industry convention for valuing comparable assets. The Valuation Agent developed long term projections for the Catalog over a projection period of approximately 40 years, and then estimated the cash flows beyond the projection period based upon certain assumptions regarding projected financial performance utilizing terminal growth and decay rates.

Growth Assumptions

The Valuation Agent has applied various long-term growth and decay rates to each asset within the overall Catalog, reflecting their views of the industry and the performance of each individual songwriter. The average growth rate over the 40 years of the transaction was determined to be approximately 1.75%.

Transaction Comparison

The table below compares certain characteristics of the collateral pool and structure of this transaction to recent music royalty transactions rated by KBRA. It is assumed for this transaction that the Class A-1 VFN is fully funded.

	Concord (Series 2024-1 Only)	Concord (Series 2023-1 Only)	Concord (Initial Closing)	BEATS 2024-1	Hipgnosis Music Assets 2022-1
Collateral [1]					
Songwriter/Artists/Sub-Catalogs [2]	N/A	N/A	N/A	49	155
# Songs	1,300,000+	1,000,000+	1,000,000+	5,000+	980
Potfolio value (million)	$5,050	$4,203	$4,078	$410	$341
Debt [3]					
Class - A	$850,000,000	$150,000,000	$1,800,000,000	$266,500,000	$221,650,000
Class - B	NA	$350,000,000	NA	NA	NA
Total	$850,000,000	$500,000,000	$1,800,000,000	$266,500,000	$221,650,000
Note Advance Rate [3]					
Class - A	52.3%	20.7%	44.3%	65.0%	65.0%
Class - B	NA	69.0%	NA	NA	NA
Rating					
Class - A	A+ (sf)	A (sf)	A+ (sf)	A- (sf)	A- (sf)
Class - B	NA	BBB (sf)	NA	NA	NA
ARD					
Class - A	5 yrs	5 yrs	~3.3 yrs (VFN) / ~5.1 yrs (Term)	5 yrs	5 yrs
Class - B	NA	5 yrs	NA	NA	NA
Interest Reserve Account					
Size (months)	6 months	12 months	12 months	6 months	6 months
DSCR Triggers					
50% Cash Trap	1.40x	1.30x	1.40x	1.30x	1.40x
100% Cash Trap	1.30x	1.20x	1.30x	1.20x	1.30x
Rapid Amortization Event	1.15x	1.15x	1.15x	1.10x	1.15x
Event of Default/Full Turbo Trigger	1.05x	1.05x	1.05x	1.05x	1.05x
Vintage					
Released 0 - 5 yrs Ago	18%	16%	16%	40%	8%
Released 5 - 10 yrs Ago	21%	21%	21%	30%	15%
Released 10 - 20 yrs Ago	19%	19%	19%	22%	34%
Released 20+ Ago	42%	44%	44%	8%	43%

[1] All transaction structure and collateral details are as of the applicable Series closing date.

[2] For Concord transactions, while the singer/songwriter analysis is not available, the Catalog is diversified due both to, its size (+1.3m of songs), and the relatively low concentration of NLS/NPS derived from top earning assets (top 10 songs generated 8.1% of gross profit in 2023).

[3] Assumed that VFNs are fully funded.

Rating Analysis & Cash Flow Modeling

KBRA performed cash flow analysis to test the transaction structure and to examine stresses related to different growth/decline scenarios. KBRA collectively reviewed these quantitative and qualitative factors and their associated impact in its determination of ratings for the notes. For cash flow modeling purposes, it is assumed that the Series 2022-1, Class A-1 VFN is fully funded. KBRA's base case cash flow scenario leverages the data from the third-party valuation report. The valuation report projections considered sound recording level, catalog level, revenue stream cash flow projections, industry data, historical financial performance, administration agreements, as well as third party research. Cash flows were held constant, with zero growth, after year 30 in all scenarios.

To stress the cash flows and test the strength of the structure, several different scenarios were run. In each stress scenario, it was assumed that there will be no cashflow from frontline releases and options. It was also assumed in the stress scenarios that there will be no cashflow from music rights that enter the public domain. SOFR rate increases were also assumed in stress scenarios for the Series 2022-1, Class A-1 VFN. Both scenarios also assume that assets that are licensed and are subject to renewal risk are not renewed after the term of their license ends. In both scenarios, the securities received timely interest payments and full repayment of principal by the legal final maturity date. Under the stress scenarios the Notes were shown to have sufficient credit enhancement to support the assigned ratings.

Breakeven Uniform Haircut Scenario: This scenario assumes the valuations may be overstated owing to potential variability surrounding assumptions regarding artist and industry growth, discount rate, and other factors. In this scenario, the maximum haircut to the base case cashflow is applied where timely interest and the full repayment of principal is paid to the Notes.

Breakeven Decay Rate Scenario: This scenario assumes that the Catalog cashflows decrease by a fixed rate over time after the first year of collections. In this scenario, a decay rate is applied per annum over the life of the transaction and the Notes would still receive timely payment of interest and the full repayment of principal.

Cash Flow Modeling Results

Series / Class	Scenario	Breakeven (%)	Pay Off (Year)	Triggers Hit
Series 2022-1, Class A Notes	Base Case	NA	14	None
Series 2024-1, Class A Notes	Base Case	NA	15	None
Series 2022-1, Class A Notes	Breakeven Haircut	48.34	39	Borrowing Base Deficiency & Rapid Amortization DSCR
Series 2024-1, Class A Notes	Breakeven Haircut	48.37	39	Borrowing Base Deficiency & Rapid Amortization DSCR
Series 2022-1, Class A Notes	Breakeven Decay Rate	5.47	39	Borrowing Base Deficiency
Series 2024-1, Class A Notes	Breakeven Decay Rate	5.45	40	Borrowing Base Deficiency

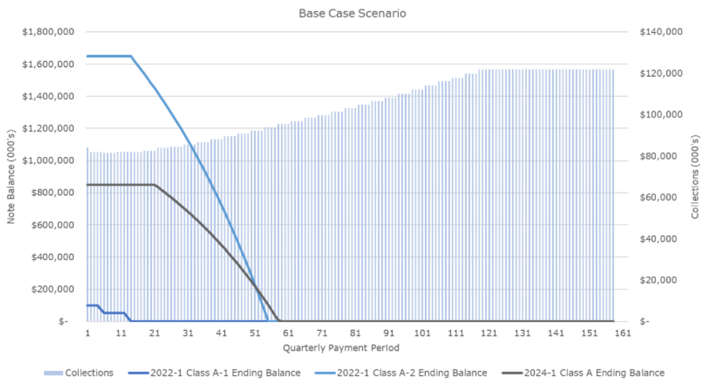
Additional Cash Flow Sensitivity

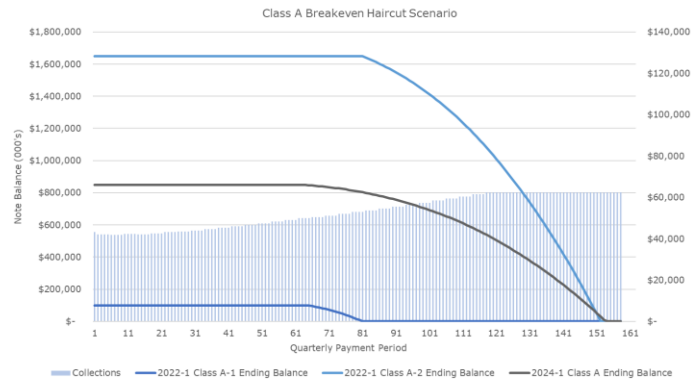
KBRA also considered the effects of potential industry-shifting shocks to the transaction, such as new technology in the music industry, long term changes in consumption, and/or pricing changes.

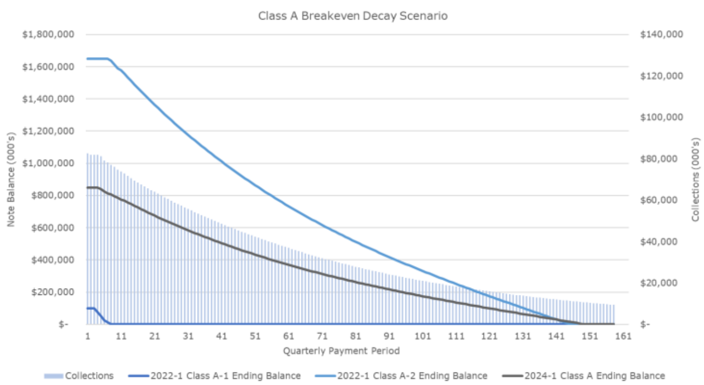
This scenario assumes that there will be event-based shocks in the industry at three different points of the transaction that will cause drastic drops in the Catalog cashflows. The first haircut will be 10%, applied on the first payment date and will continue until the end of the fifth year; the second haircut will be 30% and applied at the beginning of the sixth year and will continue until the end of the tenth year; the final haircut will be calculated as a breakeven, in which the Notes would still receive timely interest and full repayment of principal, which will begin in the eleventh year and continue for the remainder of the transaction.

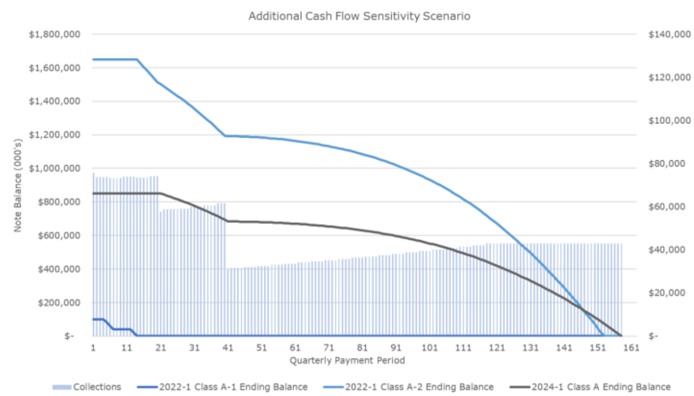
Series / Class	Breakeven (%)	Pay Off (Year)	Triggers Hit
Series 2022-1, Class A Notes	65.18	40	None
Series 2024-1, Class A Notes	64.55	40	None

Note Paydown by Scenario









Rating Sensitivity and Surveillance

The ratings of Concord Music Royalties, LLC will be monitored through the life of the transaction. The table illustrates the potential for downgrade of each rated class based on the percentage change in the transaction's DSCR. 'Stable' means a downgrade is unlikely. 'Moderate' means a potential downgrade of up to one rating category is possible. 'Severe' indicates a multi-category downgrade is possible.

It should be noted that many factors, including economic stress, market conditions and servicing operations can impact the performance of the transaction and influence rating decisions. Furthermore, the table considers the current credit enhancement available to the transaction.

Class and Rating Sensitivity	
% Change DSCR	Class A Notes
0%	Stable
-5%	Stable
-10%	Stable
-15%	Stable
-20%	Stable
-25%	Moderate
-30%	Moderate
-35%	Severe
-40%	Severe

ESG Considerations

Environmental Factors

Although the amount of plastic used to make physical media has plummeted in the past few decades, the energy it takes to stream and download digital music has risen sharply. There is also substantial additional energy use when you factor in data storage, device usage and battery charging. Although there may not currently be any direct environmental liabilities associated with the assets, it is unclear what regulatory changes and future liabilities may arise in coming decades.

Social Factors

Reputational and Industry Specific Risks

Social media and mobile communications can be used to spread negative publicity rapidly to large numbers of people. This could impact the Company's ability to respond timely and effectively to negative publicity, which could damage the perception or reputation of the Company or industry. A consideration in KBRA's credit analysis is an evaluation of current complaints, litigation or regulatory inquiries, if any, against the Company. Artists operating in the music industry are susceptible to shifts in public perception, legislation, and can also be adversely affected by reputation-damaging events. Depending on the type of litigation, or controversies surrounding an artist, or other risks that may change consumer preference or perception of an artist, KBRA may apply additional stress scenarios when modeling cash flows.

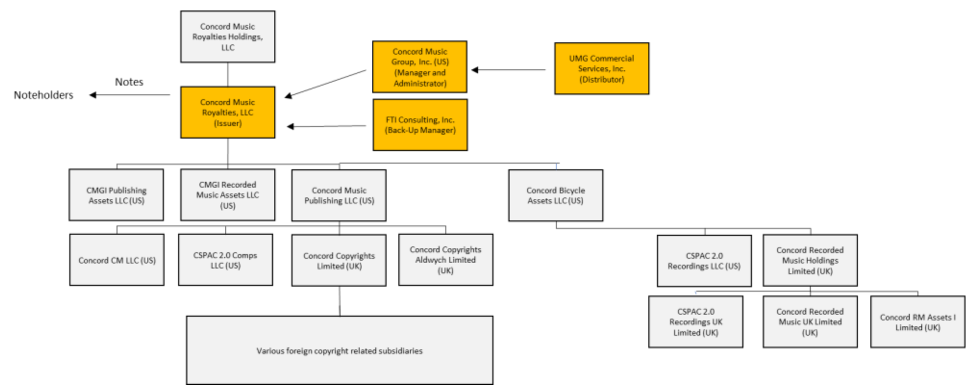
Governance Factors

Transaction Structure

Transaction structure is an important governance factor in structured finance transactions as many structural aspects such as adherence to representations and warranties, indemnification obligations in place, reporting of collateral performance, and segregation and application of cashflows, require parties to act in good faith and certify the accuracy of such information. Failure to do so could impact actual performance and KBRA ratings. KBRA considers the transaction mechanics and structural features such as, but not limited to: cash management arrangements; contractual counterparty relationships; operational complexity of business; back-up manager arrangements; reserve requirements for upfront and ongoing obligations; waterfall provisions; and underlying collateral for the debt; as applicable, in our ratings analysis. Please refer to the Transaction Structure section for additional information regarding the structure.

Transaction Structure

The following is intended to be a concise summary of the transaction structure. It does not contain all the information that may be relevant to understanding the transaction's mechanics, which are available in the transaction documents. The ratings do not address payment of subordinated additional interest payable after the anticipated repayment date.

<table>
<tr><th colspan="2">Legal Structure</th></tr>
<tr><td>Transaction Structure</td><td>
</td></tr>
<tr><td>Debt Service Reserve Account</td><td>The Issuer will be required to maintain an amount on deposit in a Debt Service Reserve Account for each Series equal to six months of interest on the outstanding principal balance of the Notes. The Debt Service Reserve Account will be replenished in accordance with the priority of payments. The required amount may be satisfied in part or in whole by a letter of credit.</td></tr>
<tr><td>Cash Trap Events /Reserve Account</td><td>If a Cash Trap Event occurs and for so long as such Cash Trap Event continues to exist, an amount equal to the product of (i) the Cash Trapping Percentage and (ii) the remaining amount of Available Funds will be deposited in the Cash Trap Reserve Account in accordance with the priority of payments. If a Cash Trap Condition exists for two consecutive Collection Periods, then on the next Payment Date (and on each Payment Date thereafter so long as such Cash Trap Condition continues to exist), all funds on deposit in the Cash Trap Reserve Account will be applied to make a prepayment on the Notes in accordance with the priority of payments.
The table below outlines the cash trap percentage thresholds.

<table><tr><th>50% Cash Trap</th><th>100% Cash Trap</th></tr><tr><td><1.40x but ≥ 1.30x</td><td><1.30x</td></tr></table>
A Cash Trap Event will continue until the DSCR as of the last day of the Related Collection Period has exceeded the applicable threshold in a quarterly collection period. If a Cash Trap Condition ceases to exist and if no Event of Default or Rapid Amortization Event has occurred and is continuing, any funds then on deposit in the Cash Trap Reserve Account will be transferred to the Collection Account to be applied as Available Funds.</td></tr>
<tr><td>Manager Termination Events</td><td>(i) any failure by the Manager to deliver to the Collection Account any required payments for three business days;
(ii) failure to deliver the Manager's Certificate or contingent liability certificate when required within three business days of the due date;
(iii) failure to comply in any material respect with any other covenant in the transaction documents for 30 days;
(iv) any representation, warranty or statement of the Manager proves to be incorrect in any material respect and is not cured within 30 days;
(v) certain voluntary or involuntary insolvency events with respect to the Manager;
(vi) the occurrence and continuation of an Event of Default
(vii) one or more enforceable judgments in excess of $20,000,000 shall be entered against the Manager (to the extent not covered by insurance) and shall not be discharged for 30 days;
(viii) any material provision of the Management Agreement shall cease to create an enforceable obligation against the Manager; or
(ix) so long as Concord Music Group Inc. is both Manager and Administrator, the breach of any material term of the Administration and Label Services Agreement.</td></tr>
</table>

Rapid Amortization Events	(i) delivery of a notice of resignation or termination of the Manager under the Management Agreement (which will exist until a back-up manager is appointed); (ii) the Notes have not been repaid or refinanced in full on or prior to the Series 2022-1 Anticipated Repayment Date (or any other Series commences a Rapid Amortization Period and will continue to exist until no Rapid Amortization Period is in effect for such other Series); (iii) the DSCR is less than 1.15x with respect to any Payment Date; (iv) the DSCR is less than 1.05x with respect to any Payment Date; (v) any Payment Date if the Series LTV Ratio is greater than the Series LTV Trigger and will continue to exist until cured (including on such Payment Date); (vi) for Series 2022-1 only, any Payment Date if the Series Leverage Ratio as of the last day of the Related Collection Period is greater than or equal to 12.0:1 (vii) the date on which the Asset Entities fail to hold Federally Registered Copyrights that account for at least 50% of Gross Profits attributable to Music Products which constitute Copyrights and will continue to exist until the Asset Entities hold Federally Registered Copyrights which satisfy such thresholds; (viii) a failure by the Issuer to deliver a valuation report within ten business days of its due date but will be extended to sixty business days if the Trustee can present an officer's certificate indicating that the Issuer is taking reasonable steps to receive the report; or (ix) any representation or warranty is materially breached Rapid Amortization Event clause (iii) is curable only if the DSCR is greater than 1.15x for two consecutive payment periods and if it has not been cured more than twice already. Rapid Amortization Event clause (iv) is not curable. The Series LTV Trigger is 60% for the Notes.
Base Priority of Payments	The following orders of priority apply to amounts deposited in the Collection Account, in accordance with the Base Indenture. (i) to the Contingent Liability Reserve Account, the Contingent Liability Reserve Amount; (ii) to the Securitization Operating Expense Account, the Securitization Operating Expense Amount; (iii) to the manager, the Senior Management Fee and any applicable reimbursements; (iv) to deposit in each applicable Series Account on a pro rata basis, an amount equal to the sum, with respect to each Series, of (A) interest due and payable for such Payment Date with respect to each Non-Deferrable Class of such Series in accordance with the related Series Supplement, (B) the commitment fees due and payable, if any, for such Payment Date with respect to any VFN Notes of such Series in accordance with the related Series Supplement and (C) the aggregate amount of Letter of Credit Fees due and payable on issued but undrawn Liquidity Letters of Credit under such Series, all such amounts to be applied on such Payment Date in accordance with the applicable Series Priority of Payments; and (v) to deposit in each Series Account for application in accordance with the applicable Series Priority of Payments. The following orders of priority apply to amounts deposited in the Collection Account from the Series Accounts on such Payment Date after application of proceeds in the Series Accounts in accordance with the related Series Priority of Payments: (i) to the Manager, any unpaid amounts following step (iii) of the base waterfall; (ii) to the extent required, to the Securitization Operating Expense Amount; (iii) if a Rapid Amortization Period is continuing for any Series of Notes following application of funds pursuant to each Series Priority of Payments, to be allocated to each such Series in accordance with their respective allocations; (iv) if a Cash Trap Condition is continuing for any Series of Notes following application of funds pursuant to each Series Priority of Payments, to be allocated to each such Series in accordance with their respective allocations; (v) at the direction of the Issuer, for application to any permitted purpose under the Indenture, including without limitation to make optional payments of principal on the Notes of any Series or to deposit to the Advance Reserve Account; (vi) to pay any Subordinated Management Fee, together with any previously accrued and unpaid Subordinated Management Fee; (vii) to pay on a pro rata basis, according to the amounts then due and payable, such other amounts that remain due and payable; (viii) to pay the remaining funds at the written direction of the Issuer.

Series 2022-1 Priority of Payments	(i) on a pro-rata basis, (A) interest to the Class A Notes, (B) fees related to the letter of credit, and (C) any commitment fees, if needed; (ii) to the Debt Service Reserve Account, an amount necessary (if any) to make the balance equal to the required reserve amount; (iii) if a Rapid Amortization Period has occurred and is continuing, to make sequential payments on each class of the Series 2022-1 Notes until paid in full; if the Rapid Amortization Period is in effect due to the Series LTV Trigger, payments will be made only in an amount sufficient to cause such Rapid Amortization Period to be cured; (i) on and after the Series 2022-1 VFN Renewal Date (after giving effect to any extensions), pro rata, (A) to the holders of Series 2022-1 Class A-1 Notes in respect of principal on a pro rata basis (including a commensurate permanent reduction of any remaining VFN Commitments in respect thereof) until the Outstanding Principal Balance of the Series 2022-1 Class A-1 Notes is reduced to zero and (B) to pay the principal amount of reimbursement obligations then due and payable under Liquidity Letters of Credit; (ii) if a Cash Trap Condition is continuing, to the Cash Trap Reserve Account in an amount equal to the product of (i) the Cash Trapping Percentage and (ii) the remaining amount of Available Funds for such Payment Date after making the allocations and payments described above; (iii) to (A) the holders of the Series 2022-1 Class A-1 Notes to pay, first, Post-ARD Additional Interest due on such Class, and second, Deferred Post-ARD Additional Interest due on such Class, then (B) the holders of the Class A-2 Notes to pay, first, Post-ARD Additional Interest due on such Class, and second, Deferred Post-ARD Additional Interest due on such Class; and (ix) any remaining amounts to be deposited in the Collection Account and applied pursuant to the Base Priority of Payments on such Payment Date.
Series 2024-1 Priority of Payments	(i) interest to the Class A Notes; (ii) to the Debt Service Reserve Account, an amount necessary (if any) to make the balance equal to the required reserve amount; (iii) if a Rapid Amortization Period has occurred and is continuing, to make payments on the Series 2024-1 Notes until paid in full; if the Rapid Amortization Period is in effect due to the Series LTV Trigger, payments will be made only in an amount sufficient to cause such Rapid Amortization Period to be cured; (iv) if a Cash Trap Condition is continuing, to the Cash Trap Reserve Account in an amount equal to the product of (i) the Cash Trapping Percentage and (ii) the remaining amount of Available Funds for such Payment Date after making the allocations and payments described above; (v) to the noteholders, first, Post-ARD Additional Interest due, and second, Deferred Post-ARD Additional Interest due; (i) any remaining amounts to be deposited in the Collection Account and applied pursuant to the Base Priority of Payments on such Payment Date.
Events of Default	(i) The Issuer defaults in payment of interest on any Payment Date; (ii) The Issuer defaults in the payment of principal on the Legal Final Maturity Date or fails to make principal payments from available funds in accordance with the priority of payments; (iii) the failure of any Securitization Entity to make any other payments due under the Transaction Documents, subject to available funds; (iv) Any Securitization Entity breaches its representations, warranties or covenants or otherwise defaults in the performance or compliance with any term contained in the Transaction Documents, subject to applicable grace periods; (v) the failure of the Calculation Agent or the Issuer to comply with the requirement to deliver the Quarterly Report for a period of thirty days after written notice from the Trustee requiring such failure to be remedied, unless such period is extended at the request of the Issuer and the Trustee receives Rating Agency Confirmation; (vi) Certain bankruptcy or insolvency events of the Issuer or any other Securitization Entity; (vii) other than in connection with a Permitted Asset Disposition, Concord, Alchemy and Concord Publishing shall cease to own, directly or indirectly, 100% of the limited liability company interests in Holdings or Holdings shall cease to own, directly or indirectly, 100% of the limited liability company interests in the Issuer, or the Issuer shall cease to own, directly or indirectly, 100% of the limited liability company, partnership or other ownership interests in each Asset Entity originally owned by it or later acquired by it, or any Asset Entity shall cease to own, directly or indirectly, the Equity Interests in any Asset Entity originally owned by it or any Asset Entity later acquired by it; the Manager resigns and a successor Manager is not appointed within 180 days of such resignation; or (viii) the Trustee ceases to have a valid and perfected first priority security interest in Collateral.

Additional Notes	The Issuer may at any time and from time to time issue additional Series of Notes (Additional Notes) in one or more Classes pursuant to the Base Indenture and a Series Supplement for such Additional Notes. Such Additional Notes may rank pari passu with, or subordinate to, the Offered Notes; provided that if any Notes (other than the Additional Notes) will remain outstanding after the issuance of such Additional Notes (such Notes, the Continuing Notes) (i) the Basic Conditions are satisfied with respect to such issuance on the date of the related Series Supplement with respect to such Additional Notes and (ii) the sum of the Series Allocation Amounts for each Series of Notes following the issuance of such Additional Notes shall be less than or equal to the Collateral Value as of the date of issuance of such Additional Notes. In addition, the Series Supplements for both the Series 2022-1 Notes and Series 2024-1 Notes will provide that, for so long as the respective Series' Notes are outstanding, the Issuer may not at any time issue Additional Notes unless, after giving effect to such issuance, the ratio of (i) the Outstanding Principal Balance of the Notes of all Series as of such date to (ii) the Collateral Value of the Music Products held by the Securitization Entities as of such date will be less than or equal to 60%.
Transaction Amendment Process	The transaction's indenture may be amended without the consent of noteholders if such amendment does not adversely affect in any material respect the interests of any noteholder. Other amendments require the consent of the holders of at least a majority in aggregate principal amount of each class of Notes. Certain amendments (such as an increase, reduction, acceleration or delay in distributions to be made to noteholders) require that the holders of all notes affected by the amendment provide their consent.
Representations & Warranties	For more detailed information regarding the representations, warranties and enforcement mechanisms available under the transaction documents, please see KBRA's Concord Music Royalties Representations and Warranties Disclosure, which is available here.