

Confidential

# The Board of EETI

VALUATION OF THE INVESTMENT PORTFOLIO AS AT 31/12/2014

February 2015

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# 1 SUMMARY

## Introduction

- ▶ The EETI portfolio comprises first and second loss positions of RMBS (residential mortgage-backed securities) with underlying loan portfolios primarily in Spain, Portugal, the UK, Germany and France. This document details the assumptions and model outputs of the quarterly valuation undertaken at 31/12/2014. It forms part of the ongoing monitoring and re-evaluation of the portfolio.
- ▶ While the secondary market has largely recovered for senior and mezzanine positions, the subordinated positions held by EETI are still highly illiquid, with limited prices.
- ▶ The fair value of the portfolio is therefore assessed through a mark-to-model approach.
  - This approach is predicated on preparing forecast cash flow until maturity for each investment using observable credit assumptions and deriving their net present values based on discount rates consistent with the current market environment;
  - The credit assumptions retained by Cartesia are based on the historical performance of individual transactions, benchmarked against a broad sample of comparable transactions.
    - In order to provide observable inputs, the main credit variables have been set at their 24-month average values (default rates and prepayment or redemption rates) or their prevailing levels.
  - The discount rates are set by the Board and derived from average credit spreads for traded debt securities providing comparable risk/reward profiles;
  - The exercise by the originator of optional termination clauses (time or clean-up calls) is assessed on a case-by-case basis.
- ▶ The forecast cash flows have been prepared by Cartesia using internally developed models.

## Valuation summary

- ▶ The EETI portfolio is valued at 31/12/2014 at EUR 26,715k before accruals, corresponding to the net present value of a total forecast cash flow stream of EUR 42,453k, discounted at the rates set by the Board for each investment.
- ▶ Valuation adjustments this quarter amount to EUR 1,300k, primarily stemming from a continuous improvement in credit performance of most positions.
- ▶ Over the whole year, the total revaluation has amounted to EUR 6,203k corresponding principally to the following movements:
  - The revaluation of the Ludgate position by an aggregate EUR 7m over the year, as the instrument has started to generate substantial quarterly cash flow;
  - The revaluation of the Lusitano 3 and 5 positions by an aggregate EUR 2.2m, following a continuous improvement in their credit performance;
  - The markdown by a total EUR 2.3m of the Pastor positions, further to an increase in the expected loss severity of foreclosed mortgages;
  - The markdown by a total EUR 1.0m of the Gems position, despite an improvement in credit performance, as the exercise of the clean-up call is no longer assumed.

### Portfolio book value at 31/12/2014

(EUR 000s)

Investments	Country	Book Value at 31/12/2014			Q4 2014 (Markdown)/ Revaluation	2014 (Markdown)/ Revaluation	% Book Value	% Total Cash Flow
		Net Present Values	Total Forecast Cash Flow	Discount Rate				
Pastor 2	Spain	3,600	5,137	7.9%	34	99	13.5%	12.1%
Pastor 3	Spain	0	-	12.9%	0	(70)	0.0%	0.0%
Pastor 4	Spain	665	2,039	12.9%	264	(1,771)	2.5%	4.8%
Pastor 5	Spain	-	-	12.9%	0	(472)	0.0%	0.0%
Lusitano 3	Portugal	6,678	9,500	7.9%	452	1,232	25.0%	22.4%
Lusitano 5	Portugal	4,198	8,770	12.9%	282	1,035	15.7%	20.7%
Gems	Germany	3,716	5,256	6.4%	21	(995)	13.9%	12.4%
Minotaure	France	1,506	3,210	12.9%	127	154	5.6%	7.6%
Sestante 4A1	Italy	85	100	12.9%	(10)	(11)	0.3%	0.2%
Ludgate	UK	6,266	8,440	12.9%	132	7,003	23.5%	19.9%
<b>TOTAL</b>		<b>26,715</b>	<b>42,453</b>	<b>10.0%</b>	<b>1,300</b>	<b>6,203</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Book values are indicated with accrued interest.

## Net present values at different discount rates

(EUR 000s)

### Net present values at different discount rates (at 31/12/2014)

Discount Rate	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Minotaure	Ludgate	Total
6.37%	3,845	-	1,152	-	7,100	5,880	85	3,717	2,182	7,219	30,910
7.87%	3,601	-	1,012	-	6,679	5,411	82	3,437	1,999	6,976	29,136
12.87%	2,913	-	665	-	5,542	4,198	74	2,670	1,506	6,267	24,240
13.50%	2,838	-	632	-	5,422	4,075	73	2,589	1,454	6,188	23,716
15.00%	2,669	-	559	-	5,154	3,803	71	2,407	1,340	6,005	22,539
17.50%	2,414	-	458	-	4,754	3,405	68	2,137	1,171	5,722	20,774
20.00%	2,188	-	377	-	4,405	3,066	66	1,903	1,027	5,465	19,222
<b>Valuation</b>	<b>3,601</b>	<b>-</b>	<b>665</b>	<b>-</b>	<b>6,679</b>	<b>4,198</b>	<b>85</b>	<b>3,717</b>	<b>1,506</b>	<b>6,267</b>	<b>26,719</b>

### Cash flow multiples at different discount rates (total cash flow / net present value)

Discount Rate	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Minotaure	Ludgate	Total
6.37%	1.3x	--	1.8x	--	1.3x	1.5x	1.2x	1.4x	1.5x	1.2x	1.4x
7.87%	1.4x	--	2.0x	--	1.4x	1.6x	1.2x	1.5x	1.6x	1.2x	1.5x
12.87%	1.8x	--	3.1x	--	1.7x	2.1x	1.3x	2.0x	2.1x	1.3x	1.8x
13.50%	1.8x	--	3.2x	--	1.8x	2.2x	1.4x	2.0x	2.2x	1.4x	1.8x
15.00%	1.9x	--	3.6x	--	1.8x	2.3x	1.4x	2.2x	2.4x	1.4x	1.9x
17.50%	2.1x	--	4.4x	--	2.0x	2.6x	1.5x	2.5x	2.7x	1.5x	2.0x
20.00%	2.3x	--	5.4x	--	2.2x	2.9x	1.5x	2.8x	3.1x	1.5x	2.2x
<b>Valuation</b>	<b>1.4x</b>	<b>--</b>	<b>3.1x</b>	<b>--</b>	<b>1.4x</b>	<b>2.1x</b>	<b>1.2x</b>	<b>1.4x</b>	<b>2.1x</b>	<b>1.3x</b>	<b>1.6x</b>

Note: Values above do not include accrued interest.

# Quarterly historical cash flow

(EUR 000s)	Spain				Portugal		Italy	Germany	France		UK	TOTAL EETI		
	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Minotaure	Ludgate	Qtly	Annual	Cumulative	
<b>HISTORICAL</b>														
Q3 2009	86	-	-	-	59	77	-	25	213	13	891			
Q4 2009	430	-	-	-	34	75	-	19	210	-	1,166			
Q1 2010	337	-	-	-	-	0	-	18	190	26	960			
Q2 2010	235	-	-	-	75	-	-	17	233	6	952			
Q3 2010	59	-	-	-	205	-	-	18	264	6	940			
Q4 2010	160	-	-	-	-	-	-	20	216	8	802	3,655	3,655	
Q1 2011	316	-	-	-	85	-	-	22	132	10	968			
Q2 2011	385	-	-	-	529	-	25	23	214	13	1,595			
Q3 2011	222	-	-	-	350	-	25	27	249	11	1,307			
Q4 2011	169	-	-	-	273	-	19	28	177	11	8,746	12,616	16,271	
Q1 2012	235	-	-	-	487	-	20	27	189	2	1,215			
Q2 2012	170	-	-	-	388	-	15	22	134	2	4,961			
Q3 2012	91	-	-	-	282	-	14	17	99	5	655			
Q4 2012	7	-	-	-	-	-	11	12	-	5	175	7,006	23,277	
Q1 2013	7	-	-	-	5	-	11	11	-	7	178			
Q2 2013	-	-	-	-	-	-	13	12	-	-	6,117			
Q3 2013	14	-	-	-	203	-	12	11	-	14	255			
Q4 2013	-	-	-	-	110	-	11	12	-	1	134	6,684	29,961	
Q1 2014	-	-	-	-	183	-	10	12	-	4	209			
Q2 2014	-	-	-	-	78	-	12	13	-	291	394			
Q3 2014	-	-	-	-	247	-	13	13	-	577	850			
Q3 2014	29	-	-	-	237	-	12	11	-	575	864	2,317	32,278	

# Quarterly forecast cash flow

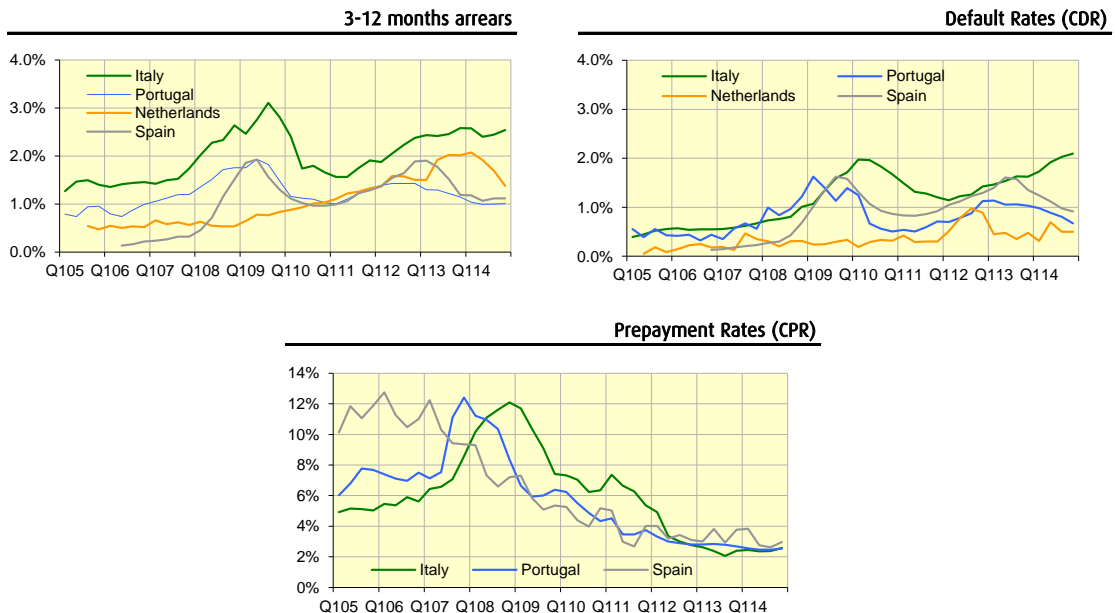
(EUR 000s)	Spain				Portugal		Italy	Germany	France	UK	TOTAL EETI		
	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Minotaure	Ludgate	Qty	Annual	Cumulative
<b>FORECAST</b>													
<b>Sum CF</b>	<b>5,137</b>	<b>-</b>	<b>2,039</b>	<b>-</b>	<b>9,500</b>	<b>8,770</b>	<b>100</b>	<b>5,256</b>	<b>3,210</b>	<b>8,440</b>	<b>42,453</b>	<b>Totals</b>	
<b>% Total</b>	<b>12.1%</b>	<b>0.0%</b>	<b>4.8%</b>	<b>0.0%</b>	<b>22.4%</b>	<b>20.7%</b>	<b>0.2%</b>	<b>12.4%</b>	<b>7.6%</b>	<b>19.9%</b>	<b>100.0%</b>	<b>Yearly</b>	<b>Cumulative</b>
Q1 2015	1	5	-	-	64	-	20	10	-	508	606		606
Q2 2015	2	5	-	-	76	-	19	10	-	497	608		1,214
Q3 2015	3	5	-	-	148	-	2	10	-	487	652		1,866
Q4 2015	4	6	-	-	118	-	2	10	-	477	613	2,479	2,479
Q1 2016	5	6	-	-	131	-	2	10	-	462	611		3,090
Q2 2016	6	6	-	-	137	-	2	10	-	448	603		3,693
Q3 2016	7	7	-	-	446	-	2	11	-	434	898		4,591
Q4 2016	8	7	-	-	464	-	2	11	-	420	903	3,016	5,495
Q1 2017	9	7	-	-	418	-	2	11	-	401	839		6,333
Q2 2017	10	7	-	-	413	-	2	11	-	383	816		7,149
Q3 2017	11	8	-	-	392	-	2	11	-	366	778		7,927
Q4 2017	12	8	-	-	381	-	1	11	-	350	751	3,183	8,678
Q1 2018	13	8	-	-	385	-	2	11	-	326	732		9,410
Q2 2018	14	8	-	-	383	345	2	11	-	304	1,054		10,464
Q3 2018	15	9	-	-	383	1,387	2	12	-	284	2,076		12,541
Q4 2018	16	9	-	-	1,628	2,828	2	12	-	265	4,742	8,605	17,283
Q1 2019	17	9	-	-	103	121	2	12	-	238	485		17,767
Q2 2019	18	9	-	-	101	119	2	12	-	215	458		18,225
Q3 2019	19	5,010	-	-	102	114	2	12	-	193	5,432		23,658
Q4 2019	20	-	-	-	92	114	2	12	-	1,381	1,602	7,976	25,259
Q1 2020	21	-	-	-	96	115	2	12	-	-	225		25,484
Q2 2020	22	-	-	-	94	114	19	12	-	-	239		25,723
Q3 2020	23	-	-	-	93	110	11	5,013	-	-	5,227		30,950
Q4 2020	24	-	-	-	87	109	0	-	-	-	196	5,887	31,146
Q1 2021	25	-	-	-	88	109	0	-	3,210	-	3,407		34,554
Q2 2021	26	-	-	-	87	108	0	-	-	-	194		34,748
Q3 2021	27	-	-	-	87	103	0	-	-	-	190		34,938
Q4 2021	28	-	-	-	79	103	-	-	-	-	181	3,973	35,119
Q1 2022	29	-	-	-	81	103	-	-	-	-	184		35,303
Q2 2022	30	-	-	-	80	102	-	-	-	-	181		35,485
Q3 2022	31	-	-	-	80	78	-	-	-	-	157		35,642
Q4 2022	32	-	-	-	72	46	-	-	-	-	118	641	35,760
Q1 2023	33	-	-	-	74	46	-	-	-	-	121		35,880
Q2 2023	34	-	-	-	73	45	-	-	-	-	118		35,998
Q3 2023	35	-	-	-	72	42	-	-	-	-	114		36,113
Q4 2023	36	-	-	-	65	42	-	-	-	-	107	460	36,220
Q1 2024	37	-	2,039	-	67	42	-	-	-	-	2,149		38,369
Q2 2024	38	-	-	-	66	41	-	-	-	-	107		38,476
Q3 2024	39	-	-	-	65	39	-	-	-	-	104		38,579
Q4 2024	40	-	-	-	60	38	-	-	-	-	98	2,458	38,678
Q1 2025	41	-	-	-	61	38	-	-	-	-	98		38,776
Q2 2025	42	-	-	-	59	37	-	-	-	-	96		38,872
Q3 2025	43	-	-	-	59	34	-	-	-	-	93		38,965
Q4 2025	44	-	-	-	1,391	34	-	-	-	-	1,425	1,712	40,390
Q1 2026	45	-	-	-	-	34	-	-	-	-	34		40,424
Q2 2026	46	-	-	-	-	33	-	-	-	-	33		40,457
Q3 2026	47	-	-	-	-	31	-	-	-	-	31		40,488
Q4 2026	48	-	-	-	-	31	-	-	-	-	31	129	40,519
Q1 2027	49	-	-	-	-	31	-	-	-	-	31		40,549
Q2 2027	50	-	-	-	-	30	-	-	-	-	30		40,579
Q3 2027	51	-	-	-	-	28	-	-	-	-	28		40,607
Q4 2027	52	-	-	-	-	27	-	-	-	-	27	115	40,634
Q1 2028	53	-	-	-	-	27	-	-	-	-	27		40,661
Q2 2028	54	-	-	-	-	27	-	-	-	-	27		40,688
Q3 2028	55	-	-	-	-	25	-	-	-	-	25		40,713
Q4 2028	56	-	-	-	-	25	-	-	-	-	25	104	40,738
Q1 2029	57	-	-	-	-	1,715	-	-	-	-	1,715		42,453



# European RMBS performance update

- ▶ The stabilisation of the Spanish and the Portuguese economies in 2014 has reflected positively on the credit performance of a broad sample of RMBS transactions in both countries:
  - 90-day+ arrears have declined to an average of approx. 1.0% in both countries, down 0.1-0.2% over 2014;
  - Default rates have consequently continued to decrease, after reaching a peak in the first half of 2013, and now similarly stand close to 1.0% in both countries. It should be noted that later vintage Spanish RMBS continue to significantly underperform earlier transactions;
  - Spanish residential real estate prices have bottomed over the past quarters at a level of approx. 35% below peak. In Portugal, with less overvaluation to deflate, prices have fallen by an average of 12% since 2008 but remain slightly volatile.
  - In both cases, any sustained price recovery in dwellings requires in our perception a continued uplift in transaction volume and/or availability of bank financing.
- ▶ In contrast to Spain and Portugal, performance in Italy has continued to weaken, with latest data suggesting a modest deterioration. We would expect real estate prices to fall slightly from current levels and stress the continued importance of regional differences (North vs. Center & South) on the performance of individual deals.
- ▶ German credit performance in general remains solid, supported by continuous housing price increases through 2014. However, the German transaction held by EETI is an outlier due to its large East German component.
  - The Dutch RMBS index has been retained in the graphs below, although EETI no longer has an exposure to that market, to the extent that it serves as sound proxy for a core Eurozone economy with a difficult housing market.

## European RMBS performance



Sources : Cartesia, Trustee reports.

## 2 PASTOR INVESTMENTS (SPANISH SECOND LOSS)

# Fact sheet

<b>EETI Investments:</b>	<ul style="list-style-type: none"> <li>▶ <u>Pastor 2</u>: 100% of the EUR 5,000,000 subordinated loan at EUR 3M + 0.35% p.a.</li> <li>▶ <u>Pastor 3</u>: 100% of the EUR 9,000,000 subordinated loan at EUR 3M + 2.50% p.a.</li> <li>▶ <u>Pastor 4</u>: 100% of the EUR 5,500,000 subordinated loan at EUR 3M + 2.50% p.a.</li> <li>▶ <u>Pastor 5</u>: 33.3% of the EUR 10,500,000 Class D Notes at EUR 3M + 4.50% p.a.</li> </ul>
<b>Position:</b>	<ul style="list-style-type: none"> <li>▶ <b>Second-loss position</b></li> <li>▶ First loss (residual) held by Banco Pastor</li> <li>▶ Unpaid interests accrue and remain a liability of the securitisation fund until termination</li> </ul>
<b>Spread:</b>	<p>Swap with Banco Pastor guarantees a spread after notes margin and fees of:</p> <ul style="list-style-type: none"> <li>▶ <u>Pastor 2</u>: 0.40% p.a.</li> <li>▶ <u>Pastor 3</u>: 0.40% p.a.</li> <li>▶ <u>Pastor 4</u>: 0.40% p.a.</li> <li>▶ <u>Pastor 5</u>: 0.60% p.a.</li> </ul>
<b>Principal CF drivers:</b>	<ul style="list-style-type: none"> <li>▶ CDR</li> <li>▶ Recovery lag</li> <li>▶ Loss severity</li> </ul>
<b>Clean-up call:</b>	Optional clean-up once the collateral has reached 10% of its initial amount assumed to be exercised.

# Collateral profile

## Key characteristics

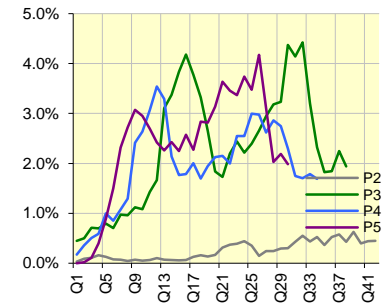
		P2	P3	P4	P5	
<b>Key deal information</b>						
Issuer		Banco Pastor				
Issue date		06/2004	06/2005	06/2006	06/2007	
Months since issue		127	115	103	91	
Issue size (OB)	EURm	1,000	1,000	920	711	
Current size (CB)	EURm	202	247	321	319	
	% OB	20%	25%	35%	45%	
Count		3,833	3,206	3,595	2,963	
Avg balance	EURk	53	77	89	108	
% Non-residential					14%	
Guaranteed spread to securitisation through swap	% CB	0.40%	0.40%	0.40%	0.60%	
		Plus: Notes interest & Fees				
Initial spread on loans	% CB	0.56%	1.52%	1.37%	0.72%	
Current spread on loans	% CB	1.04%	1.54%	1.50%	1.75%	
<b>Collateral composition</b>						
LTV:	At issue	61%	67%	64%	65%	
	Last Q	37%	46%	47%	51%	
LTV buckets:	<50%	80.3%	50.2%	49.6%	48%	
	[50-70%]	19.7%	49.8%	49.9%	44%	
	[70-80%]	0.0%	0.0%	0.5%	7%	
	>80%				1%	
Vintage:	<=2002	58%				
	2003	42%	8%		0%	
	2004		92%	8%	1%	
	2005			92%	8%	
	2006				90%	
Region:	Madrid	24%	16%	18%	20%	
	Catalunya	28%	31%	24%	27%	
	Valencia	4%	7%	9%	7%	
	Andalusia	7%	7%	9%	11%	
	Galicia	15%	17%	17%	15%	
	Others	22%	23%	24%	21%	
<b>Transaction performance</b>						
Average CPR:	Since issue	% CB	8.4%	8.2%	6.4%	4.7%
	Last 24M	% CB	4.0%	3.1%	3.4%	3.1%
	Last 12M	% CB	4.1%	3.2%	3.6%	3.0%
Arrears:	<=1M	% CB	5.0%	10.4%	8.6%	8.2%
	]1-3M]	% CB	2.3%	6.1%	6.5%	2.1%
	3-12M	% CB	0.4%	1.9%	1.7%	3.3%
	Total	% CB	7.8%	18.4%	16.8%	13.7%
Cumulative defaults	EURm	8.4	77.7	80.9	58.3	
	% OB	0.8%	7.8%	8.8%	8.2%	
Default Rate (CDR):	Since issue	% CB	0.3%	2.4%	2.3%	2.5%
	Last 24M	% CB	0.5%	3.9%	3.0%	3.6%
	Last 12M	% CB	0.6%	2.5%	2.3%	3.2%
Cumulative recoveries	EURm	3.5	14.1	11.0	14.5	
As a % of cumulative defaults			41.8%	18.1%	13.6%	24.9%
Reserve amount	EURm	3.65	(48.34)	(36.46)	(26.58)	
Reserve %	% CB	1.81%	-19.57%	-11.36%	-8.32%	
Reserve drawn?		No	Yes	Yes	Yes	

Sources: Cartesia, Trustee reports.

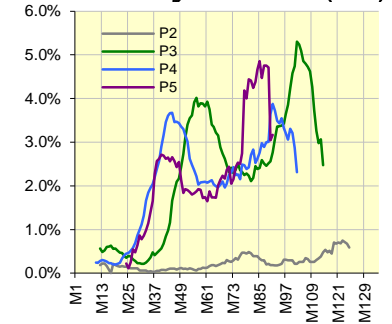
## Collateral performance

Months or Quarters since issue

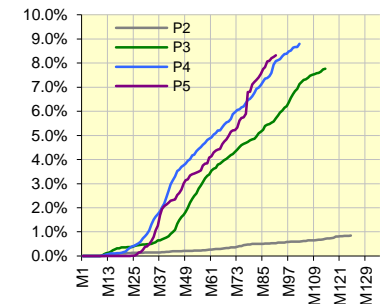
90-day + Arrears (%CB)



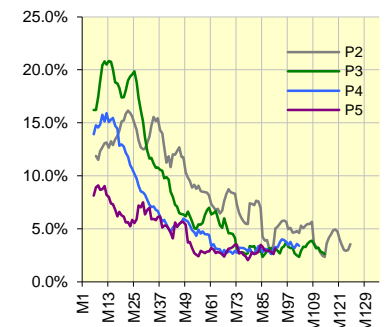
12 Months Average Default Rates (% CB)



Cumulative defaults (% OB)



6M trailing average prepayments (CPR)



## Macroeconomic update

- ▶ After almost 6 years of contraction, the Spanish economy has stabilised in 2014 and is now expanding again at a modest yet increasing pace.
  - Current output currently stands at 2005 levels (6% below 2008);
  - Unemployment has started decreasing over the past quarters but remains very high at close to 25%. Youth unemployment is decreasing as well but is still stuck above 50%;
  - Budget deficit is decreasing and stands at an expected 5.6% in 2014 while sovereign debt has reached 98% of GDP, largely as a consequence of assuming the regions' debt and bank bailouts.
- ▶ The country is rated Baa2 / BBB by Moody's and S&P and outlook has been set to positive by Moody's since February 2014. Financial markets have in any event bought into the recovery story and peripheral sovereigns / credits have been among the top fixed income performers again in 2014.
  - Sovereign funding cost has sharply decreased throughout 2014 supported by ECB's conditional commitment to purchase sovereign debt in unlimited amount, the high inflow of cash into financial markets, and the hunt for yield by credit investors;
  - The 10-year sovereign bonds yielded 1.6% at year-end vs. 3.8% at the beginning of the year, representing an appreciation of approx. 20% in price. Current credit spread over Bunds is close to 1% vs. 2% a year ago.
- ▶ Confidence in the Spanish financial system was affected by contagion during the summer following the nationalization of Banco Espírito Santo in Portugal. Yields for Spanish bank debt has nonetheless recovered since and closed the year lower than at the beginning of 2014.
  - Senior unsecured bank debt and covered bonds are currently trading at yields of 1.5-3.0% for 5-year maturities, 0.5-1.5% above their German equivalents (vs. approx. +1.0% in Jan. 2014).
- ▶ Real estate prices appear to have bottomed since 2013, at a level approx. 40% below their 2007 peak. Their evolution remain heterogeneous, with certain regions, such as Navarra, still registering declines while others (Murcia, Madrid, etc.) revealing meaningful appreciations.
  - We nonetheless remain cautious as the number of recorded transactions has barely increased in 2014, and the inventory of unsold dwellings is still substantial (between 600k and 700k new dwellings unsold).

# Macroeconomic update (Cont'd)

Yearly evolution in real GDP since 2007



Unemployment rate since 2007



Real estate prices (Base 100 = Q1 2007)



12M rolling transaction volume since 2009 (000s)



Sources : Cartesia, Eurostat, Spanish National Institute of Statistics.

## Transaction performance

### PASTOR 2

- ▶ The transaction has continued to perform in line with forecast; 90-day+ arrears remain stable at 0.4% while 12-month and 24-month average CDRs register an increase to respectively 0.6% and 0.5% p.a.
- ▶ After a deferral during 4 quarters, unpaid interests on the position were fully paid in Q4, owing to recoveries on the modest outstanding balance of defaulted loans.

### PASTOR 3, 4 AND 5

- ▶ The credit performance of these transactions has gradually improved and currently stands somewhat below credit assumptions, which are based on 24-month average data.
  - 2014 default rates (CDR) amount to 2.5%, 2.3% and 3.2% for Pastor 3, 4 and 5 respectively ;
  - 24-month CDRs amount to 3.9%, 3.0% and 3.6% for the Pastor 3, 4 and 5 respectively ;
  - 90-day+ arrears have largely improved at the end of 2014 to 1.9%, 1.7% and 2.0% for Pastor 3, 4 and 5 respectively, suggesting a potential decrease in 2015 default rates.
- ▶ In that context, as default rates nonetheless continued to vastly exceed excess spread and as recoveries do not cover that shortfall, unpaid PDLs (negative reserve) in Pastor 3, 4 and 5 have worsened to respectively EUR 48.3m, EUR 36.5m and EUR 26.3m. Recoveries on defaulted loans have increased in 2014 but remain however very modest in relation to the inventory of outstanding defaults:
  - Pastor 3: EUR 3.9m of recoveries in 2014 vs. EUR 63.6m of outstanding defaults ;
  - Pastor 4: EUR 3.4m of recoveries in 2014 vs. EUR 70.0m of outstanding defaults ;
  - Pastor 5: EUR 4.8m of recoveries in 2014 vs. EUR 60.4m of outstanding defaults.
- ▶ Indications on loss severity upon resale of foreclosed properties suggest continued substantial losses, partly stemming from refurbishment and other expenses. Trustee data is as follows :
  - In the cases where properties have been foreclosed and sold to date, loss severities increased in 2014 and have ranged between 45% and 50% (average of 48%) and the time from default to disposal of foreclosed properties averaged 3.7 years;
  - On the significantly larger inventory of repossessed homes not yet sold, expected loss severities based on servicer estimates average approx. 24%;
  - Detailed loss severity data is provided overleaf.
- ▶ The increase in loss severity to 30% over the course of the year has led to a full write-off of the Pastor 3 and 5 positions.
  - A meaningful acceleration in recoveries and/or a reduction in loss severity, combined with a sustained slowdown in defaults, could lead to a revaluation over time of these positions.

# Transaction performance (Cont'd)

## Pastor Transactions – Actual and Expected Loss Severity on Current Defaults

(EUR m)	Foreclosed & Sold Properties						Foreclosed & Not Yet Sold Properties				
	Count	Debt Amount	Expenses	Sale Price	Actual Loss Severity	Time from Default to Sale	Count	Debt Amount	Expenses	Appraisal Value	Estimated Loss Severity
Pastor 2	4	0.49	0.18	0.45	-44.9%	2.9 yrs	14	1.08	0.18	1.43	0.0%
Pastor 3	20	3.20	0.95	2.7	-45.3%	3.6 yrs	247	30.39	5.75	29.78	-20.9%
Pastor 4	19	3.19	0.71	2.3	-50.2%	4.0 yrs	256	34.36	6.23	31.31	-27.0%
Pastor 5		7.15		3.64	-49.2%						
<b>TOTAL</b>	<b>43</b>	<b>14.03</b>	<b>1.84</b>	<b>9.09</b>	<b>-48.4%</b>	<b>3.7 yrs</b>	<b>517</b>	<b>65.83</b>	<b>12.16</b>	<b>62.52</b>	<b>-23.5%</b>

(EUR m)	Estimated Total Losses on Foreclosed Defaults			
	Debt Amount	Expenses	Appraisal or Sale Value	Estimated Loss Severity
Pastor 2	1.6	0.4	1.9	0.0%
Pastor 3	33.6	6.7	32.5	-23.3%
Pastor 4	37.6	6.9	33.6	-29.0%
Pastor 5	7.1	0.0	3.6	-49.2%
<b>TOTAL</b>	<b>79.9</b>	<b>14.0</b>	<b>71.6</b>	<b>-27.9%</b>



## Main valuation assumptions

### DEFAULT RATE (CDR)

- ▶ Change from respectively 0.3%, 3.9%, 3.1% and 3.1% p.a. in the previous valuation for Pastor 2, 3, 4 and 5 to 0.5%, 3.9%, 3.0% and 3.6% respectively for Pastor 3, 4 and 5, in line with 24-month average default rates.

### RECOVERY LAG

- ▶ Existing defaults: Recovery period increased from 4 to a 5 years given the substantial backlog of outstanding defaults.
- ▶ New defaults: Recovery lag kept at 2.5 years (10 quarters).
  - Note that defaults being defined as arrears of 12 months, a 2.5-year lag translates into a 3.5-year delay from first arrear to the sale of foreclosed properties.
  - That brings the recovery lag in line with actual recovery lag disclosed by the Trustees.

### LOSS SEVERITY

- ▶ 30% based on the average between actual and expected loss severity on defaulted mortgages.

### PREPAYMENT RATE (CPR)

- ▶ Starting CPR equal to the 24-month average for each transaction of 4.0%, 3.1%, 3.4% and 3.1% respectively for Pastor 2, 3, 4 and 5.
- ▶ After a 12-month period, incremental growth to a 5% p.a. level except for Pastor 2.

### EURIBOR FORWARD CURVE

- ▶ Current Euribor 3-month forward curve.

### MATURITY

- ▶ Exercise of the 10% clean-up call.

## Main valuation assumptions (Cont'd)

### COMPARISON OF REVISED AND PREVIOUS KEY ASSUMPTIONS

		CDR	Lag	Severity	CPR
Pastor 2	New	0.53%	2.5 yrs	30%	4.0%
	Previous	0.35%	2.5 yrs	20%	4.6%
Pastor 4	New	2.98%	2.5 yrs	30%	Until end 2014: 3.4% Thereafter: + 1.2% p.a. capped at 5.0% p.a.
	Previous	3.06%	2.5 yrs	20%	Until end 2013: 3.0% Thereafter: + 1.20% p.a.

Note: Recovery lag stated in the table is for new defaults. Existing un-foreclosed defaults are assumed to be recovered over a 4-year period.

# Pastor 2 – Valuation and CF summary

(EUR 000s)

Forecast Sub Loan CF			
Period CF	IPD	Q	CF
	03/2015	1	5
	06/2015	2	5
	09/2015	3	5
	12/2015	4	6
	03/2016	5	6
	06/2016	6	6
	09/2016	7	7
	12/2016	8	7
	03/2017	9	7
	06/2017	10	7
	09/2017	11	8
	12/2017	12	8
	03/2018	13	8
	06/2018	14	8
	09/2018	15	9
	12/2018	16	9
	03/2019	17	9
	06/2019	18	9
	09/2019	19	5,010
	12/2019	20	0

(EUR 000s)

Valuation at different discount rates	
Total CF & valuation summary	
discount rate	Value at 31/12/2014
0.0%	5,137
8.4%	3,525
<b>7.9%</b>	<b>3,607</b>
9.0%	3,436
12.0%	3,028

Net present value at 7.87% under different combinations

CDR / Severity combinations	CDR					
	0.00%	0.35%	0.53%	0.80%	1.20%	1.60%
10%	3,548	3,607	3,607	3,607	3,602	3,661
15%	3,548	3,607	3,607	3,607	3,602	3,660
20%	3,548	3,607	3,607	3,607	3,602	3,657
25%	3,548	3,607	3,607	3,607	3,600	3,652
30%	3,548	3,607	3,607	3,607	3,600	3,236
35%	3,548	3,607	3,607	3,606	3,600	2,821
Severity						

CDR / Recovery lag combinations

CDR / Recovery lag combinations	CDR					
	0.00%	0.35%	0.53%	0.80%	1.20%	1.60%
4	3,548	3,607	3,607	3,607	3,606	3,665
8	3,548	3,607	3,607	3,607	3,602	3,658
10	3,548	3,607	3,607	3,607	3,600	3,236
12	3,548	3,607	3,607	3,607	3,597	2,600
16	3,548	3,607	3,607	3,606	2,917	1,163
20	3,548	3,606	3,581	3,208	1,908	87
Lag						

CDR / CPR combinations

CDR / CPR combinations	CDR					
	0.00%	0.20%	0.40%	0.60%	0.80%	1.00%
0.0%	3,272	3,272	3,324	3,324	3,324	3,374
2.0%	3,434	3,434	3,434	3,491	3,491	3,486
4.0%	3,548	3,548	3,607	3,607	3,607	3,602
6.0%	3,607	3,607	3,607	3,607	3,607	3,663
8.0%	3,607	3,607	3,607	3,607	3,667	3,663
10.0%	3,607	3,607	3,607	3,607	3,667	3,664
CPR						

## Pastor 4 – Valuation and CF summary

(EUR 000s)

Period CF		
IPD	Q	CF
03/2015	1	0
06/2015	2	0
09/2015	3	0
12/2015	4	0
03/2016	5	0
06/2016	6	0
09/2016	7	0
12/2016	8	0
03/2017	9	0
06/2017	10	0
09/2017	11	0
12/2017	12	0
03/2018	13	0
06/2018	14	0
09/2018	15	0
12/2018	16	0
03/2019	17	0
06/2019	18	0
09/2019	19	0
12/2019	20	0
03/2020	21	0
06/2020	22	0
09/2020	23	0
12/2020	24	0
03/2021	25	0
06/2021	26	0
09/2021	27	0
12/2021	28	0
03/2022	29	0
06/2022	30	0
09/2022	31	0
12/2022	32	0
03/2023	33	0
06/2023	34	0
09/2023	35	0
12/2023	36	0
03/2024	37	2,039

(EUR 000s)

### Valuation at different discount rates

discount rate	Value at 31/12/2014
<b>0.0%</b>	<b>2,039</b>
8.5%	960
10.0%	846
<b>12.9%</b>	<b>667</b>
20.0%	379

### Net present value at 12.87% under different combinations

#### CDR / Severity combinations

	CDR					
	1.00%	2.00%	2.98%	4.00%	5.00%	6.00%
<b>10%</b>	2,740	2,846	2,925	3,007	3,096	3,189
<b>20%</b>	2,740	2,846	2,925	2,989	1,411	0
<b>30%</b>	2,740	2,846	667	0	0	0
<b>40%</b>	2,255	0	0	0	0	0
<b>50%</b>	0	0	0	0	0	0
<b>60%</b>	0	0	0	0	0	0
Severity						

#### CDR / Recovery lag combinations

	CDR					
	1.00%	2.00%	2.98%	4.00%	5.00%	6.00%
<b>8</b>	2,740	2,846	1,149	0	0	0
<b>10</b>	2,740	2,846	667	0	0	0
<b>12</b>	2,740	2,736	157	0	0	0
<b>16</b>	2,740	1,804	0	0	0	0
<b>20</b>	2,740	981	0	0	0	0
<b>24</b>	2,740	50	0	0	0	0
Lag						

#### CDR / CPR combinations

	CDR					
	1.00%	2.00%	2.98%	4.00%	5.00%	6.00%
<b>0.0%</b>	2,501	2,238	0	0	0	0
<b>2.0%</b>	2,674	2,728	349	0	0	0
<b>3.4%</b>	2,740	2,846	667	0	0	0
<b>4.0%</b>	2,775	2,885	793	0	0	0
<b>5.0%</b>	2,810	2,925	936	0	0	0
<b>6.0%</b>	2,846	2,925	1,042	0	0	0
CPR						

### 3 LUSITANO INVESTMENTS (PORTUGUESE FIRST LOSS)

## Summary fact sheet

<b>EETI Investments:</b>	<ul style="list-style-type: none"> <li>▶ <u>Lusitano 3</u>: 24.1% of the Class E Notes (par value of EUR 2,416k)</li> <li>▶ <u>Lusitano 5</u>: 27.7% of the Class E Notes (par value of EUR 3,300k)</li> </ul>
<b>Position:</b>	▶ First loss position entitled to all profit on the interest waterfall as well as the reserve amount at maturity.
<b>Pool spread:</b>	<ul style="list-style-type: none"> <li>▶ <u>Lusitano 3</u>: 1.13% p.a. (before notes interest and cost)</li> <li>▶ <u>Lusitano 5</u>: 0.92% p.a. (before notes interest and cost)</li> </ul>
<b>Principal CF drivers:</b>	<ul style="list-style-type: none"> <li>▶ CDR / defaults</li> <li>▶ Recovery lag</li> <li>▶ Loss severity</li> <li>▶ CPR</li> </ul>
<b>Clean-up call / Maturity:</b>	Current valuations assume exercise of the 10% clean-up call.

# Collateral profile

## Key characteristics

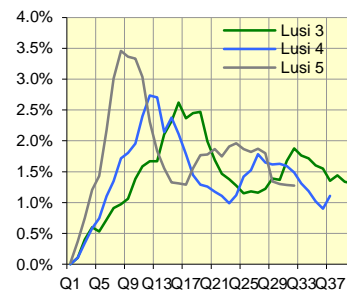
		L3	L5
<b>Key deal information</b>			
	Issuer	Novo Banco (ex BES)	
	Issue date	09/2004	09/2006
	M since issue	125	101
	Issue size (OB)	EURm 1,200	1,400
	Current size (CB)	EURm 433	704
	% OB	36%	50%
	Count at issue	21,509	22,888
	Avg balance	EURk 55,791	61,167
	Issue spread	%CB 1.24%	1.04%
	Current spread ex-compensation	%CB 0.95%	0.81%
	Current spread with compensation	%CB 1.12%	0.91%
<b>Collateral composition</b>			
	WA LTV at issue	73.1%	72.4%
	WA Current LTV	58.1%	62.0%
Current LTV buckets	<=60%	51%	52%
	]60-70%]	29%	12%
	]70-80%]	19%	15%
	]80-90%]	2%	23%
	>90%	0%	0%
Vintage (at issue)	<=2002	47%	18%
	2003	42%	4%
	2004	11%	10%
	2005	--	47%
	2006	--	21%
	2007	--	--
Region (at issue)	Lisbon	43%	41%
	Norte	28%	26%
	Centro	13%	16%
	Alentejo	9%	7%
	Algarve	3%	4%
	Islands & others	4%	6%
<b>Transaction performance</b>			
CPR	Since issue	%CB 5.2%	4.0%
	Last 24M	%CB 1.6%	1.9%
	Last 12M	%CB 1.6%	1.5%
Arrears	]1-3M]	%CB 1.6%	1.3%
	3-12M	%CB 1.3%	1.3%
	Total	2.9%	2.5%
Cumulative defaults	EURm	64.0	95.6
	% OB	5.3%	6.8%
CDR	Since issue	%CB 1.12%	1.42%
	Last 24M	%CB 1.28%	1.50%
	Last 12M	%CB 0.89%	1.24%
Cumulative recoveries	EURm	30.0	33.5
As a % of cumulative defaults	%	46.8%	35.0%
Reserve amount	EURm	7.653	0.0
	%CB	1.77%	0.00%
Reserve drawn		Yes	Yes

Sources: Cartesia, Trustee reports.

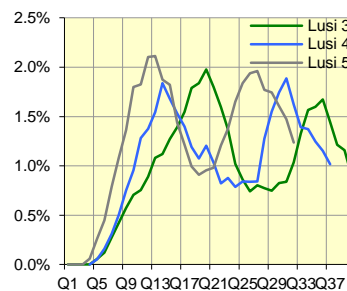
## Collateral performance

Quarters since issue

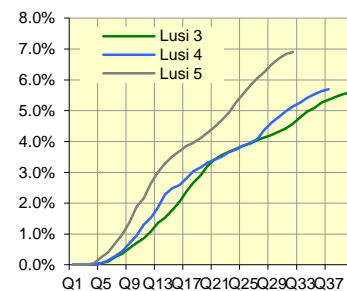
90-day + Arrears (%CB)



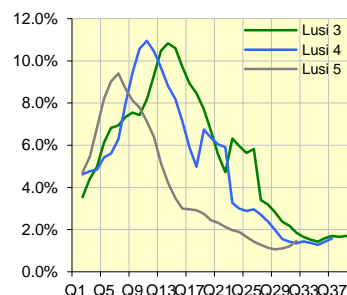
12 Months Average Default Rate (% CB)



Cumulative defaults (% OB)



12 Months Average CPR



# Macroeconomic update

- ▶ The Portuguese economy has slowly grown during 2014 – albeit at a modest pace – after reaching its lowest point in 2013. Output is however back to 2001 levels and a meaningful recovery is likely to take several years.
  - GDP is expected to have grown by approx. 1.0% in 2014 after a 1.4% contraction in 2013;
  - Budget deficit has slightly decreased but remains at approx. 5.0% in 2014, and primary budget is expected to be slightly negative in 2014 at only -0.2%.
  - Unemployment has continued to improve to an impressive 13.6% of the workforce, down from 16.0% 12 months ago;
- ▶ The country’s credit ratings have improved and are now one notch away from regaining investment grade status (Ba1 with stable outlook by Moody’s and BB with stable outlook by S&P).
  - Portugal’s access to financial markets is no longer an issue and the country managed to leave the IMF/EU/ECB bailout plan in May;
  - 10-year yields have sharply fallen to 2.5% vs. 5.2% in January 2014, thanks mostly to a hunt for yield on credit markets as well as implied guarantees from the ECB and key Eurozone members;
  - The financial system is still fragile and has been temporarily shaken in the summer by the nationalization of Banco Espírito Santo (now called Novo Banco). Domestic institutions remain sub-investment grade but have nonetheless recovered some access capital markets.
- ▶ Real estate prices have been volatile and are expected to be have fallen slightly at the end of year, to approx. 12% below 2008 levels.
  - As previously highlighted, the Portuguese real estate market had not experienced a particular real estate bubble prior to the crisis and its current weakness is, in our view, largely a reflection of its macroeconomic uncertainties.

Real GDP Evolution (Base 100 = 2000)



Yearly Evolution in Real GDP since 2008



Real Estate Prices (Base 100 = Sep. 2008)



Unemployment rate since 2000



Sources : Cartesia, Eurostat, Portuguese National Institute of Statistics.



## Transaction performance

### COLLATERAL PERFORMANCE

- ▶ Arrears level improved throughout the year and stand at 1.3% for both Lusitano 3 and 5 transactions. At the same time, defaults decreased substantially during 2014 and average 2014 CDRs stand at 0.9% for Lusitano 3 and 1.2% for Lusitano 5. This levels are well below 2013 for both transactions.
  - 24-month average CDR amount to 1.28% and 1.50% respectively, above their recent averages.
- ▶ Recoveries on foreclosed mortgages averaged every quarter approx. EUR 0.8-1.0m for Lusitano 3 and approx. 1.0-2.0m for Lusitano 5 per quarter.
- ▶ Loss severity experienced in property disposals, as derived from available data, continued to remain low, tying with the broader real estate indices.
  - Average loss severity on foreclosed loans in Lusitano 3 and 5 ranges between 4% and 7% and available data suggests 2014 foreclosures generated loss severity below 3%.

#### Loss severity in Lusitano 3 and 5

	LUSITANO 3				Lusitano 5			
	Cum. Defaults	Cum. Recoveries	Cum. Losses	Severity To Date	Cum. Defaults	Cum. Recoveries	Cum. Losses	Severity To Date
Oct. 2013 Data	63.4	25.3	1.2	4.7%	86.0	30.3	2.6	7.8%
Jan. 2014 Data	64.6	26.9	1.3	4.6%	95.8	31.9	2.6	7.5%
Apr. 2014 Data	65.7	27.8	1.3	4.6%	98.3	33.4	2.6	7.3%
Jul. 2014 Data	66.7	28.9	1.3	4.4%	100.5	35.2	2.8	7.3%
Oct. 2014 Data	67.4	30.0	1.4	4.3%	101.4	37.1	2.8	6.9%
Jan. 2015 Data	68.5	30.5	1.4	4.3%	103.8	38.1	2.8	6.8%
	Cum. Defaults	Cum. Recoveries	Cum. Losses	2014 Severity	Cum. Defaults	Cum. Recoveries	Cum. Losses	2014 Severity
Oct. 2013 Data	63.4	25.3	1.2		86.0	30.3	2.6	
Oct. 2014 Data	67.4	30.0	1.4		101.4	37.1	2.8	
2014 Delta		4.7	0.1	2.2%		6.8	0.2	3.0%

- ▶ Prepayment rates (CPR) have continued their steady decline with 12-month average below 2.0% for both Lusitano 3 and 5.

## Transaction performance (Cont'd)

### SPECIFICS OF LUSITANO 3

- ▶ The Lusitano 3 first loss position has cash flowed in each of the 4 quarters of 2014, generating a total of EUR 746k vs. EUR 318k in 2013. Residual cash flow has substantially increased as default rates now stand slightly below the available interest margin (excess spread),
- ▶ We would expect the transaction to continue cash flowing, possibly intermittently, over the next quarters.
  - The reserve is currently at its required level and is being gradually released and paid out to the residual;
  - Un-foreclosed defaults amount to approx. EUR 34m (approx. 8% of current balance) which should ensure continuing recoveries;

### SPECIFICS OF LUSITANO 5

- ▶ Lusitano 5 has experienced as well a decline in default rates in 2014 but these remained on average above the excess spread level of 0.92%.
- ▶ Recoveries have made up for part of the corresponding shortfall, leading to a modest reduction in the negative reserve (unpaid principal deficiency) from EUR 7.4m to EUR 6.4m at end 2014.
- ▶ Given the substantial amount of un-foreclosed loans (exceeding EUR 62m, approx. 9% of current balance), the negative reserve should be absorbed over the coming years. In the interim, the position held by EETI is not expected to cash flow.

## Main valuation assumptions

### DEFAULT RATE (CDR)

- ▶ Lusitano 3: 1.28% p.a., in line with 24-month average against 1.3% p.a. in Q4 2013;
- ▶ Lusitano 5: 1.50% p.a. in line with 24-month average against 1.7% p.a. in Q4 2013.

### RECOVERY LAG

- ▶ Existing un-foreclosed defaults: Recovery lag of 16 quarters;
- ▶ New defaults: Recovery lag of 10 quarters. As defaults are defined as loans with arrears in excess of 12 months, the recovery lag equates to a 3.5-year time to foreclosure from the first arrear.

### LOSS SEVERITY

- ▶ Unchanged at 20%.

### PREPAYMENT RATE (CPR)

- ▶ Lusitano 3: Lowering of CPR to 1.6% from 1.7%, in line with 24-month average, until end 2016. Thereafter, gradual increase to 5.0%.
- ▶ Lusitano 5: Lowering of CPR to 1.2% from 1.5%, in line with 24-month average, until end 2016. Thereafter, gradual increase to 5.0%.

### EURIBOR CURVE

- ▶ Set at the prevailing Euribor 3-month forward curve.

### MATURITY

- ▶ Exercise of the 10% clean-up call at the first optional date.

### Comparison of revised and previous key assumptions

		CDR	Lag	Severity	CPR
Lusitano 3	New	1.28%	Existing defaults: 4 yrs New defaults: 2.5 yrs	20%	Until end 2015: 1.6% Thereafter: + 0.60% p.a. capped at 5.0% p.a.
	Previous	1.35%	2.5 yrs	20%	Until end 2014: 1.7% Thereafter: + 0.60% p.a.
Lusitano 5	New	1.50%	Existing defaults: 4 yrs New defaults: 2.5 yrs	20%	Until end 2015: 1.2% Thereafter: + 0.60% p.a. capped at 5.0% p.a.
	Previous	1.71%	2.5 yrs	20%	Until end 2014: 1.5% Thereafter: + 0.60% p.a.

# Lusitano 3 – Valuation and CF summary

(EUR 000s)

Period CF		
Class E CF (EETI share)		
IPD	Q	Cum CF
01/2015	1	64
04/2015	2	76
07/2015	3	148
10/2015	4	118
01/2016	5	131
04/2016	6	137
07/2016	7	446
10/2016	8	464
01/2017	9	418
04/2017	10	413
07/2017	11	392
10/2017	12	381
01/2018	13	385
04/2018	14	383
07/2018	15	383
10/2018	16	1,628
01/2019	17	103
04/2019	18	101
07/2019	19	102
10/2019	20	92
01/2020	21	96
04/2020	22	94
07/2020	23	93
10/2020	24	87
01/2021	25	88
04/2021	26	87
07/2021	27	87
10/2021	28	79
01/2022	29	81
04/2022	30	80
07/2022	31	80
10/2022	32	72
01/2023	33	74
04/2023	34	73
07/2023	35	72
10/2023	36	65
01/2024	37	67
04/2024	38	66
07/2024	39	65
10/2024	40	60
01/2025	41	61
04/2025	42	59
07/2025	43	59
10/2025	44	1,391

(EUR 000s)

## Valuation at different discount rates

discount rate	Value at 31/12/2014
0.0%	9,500
7.9%	6,785
10.0%	6,272
13.1%	5,637
20.0%	4,575

## Net present value at 7.87% under different combinations

### CDR / Severity combinations

	CDR					
	1.00%	1.28%	1.50%	2.00%	3.00%	4.00%
5%	8,837	8,539	8,288	7,755	6,718	5,818
10%	8,305	7,954	7,666	7,037	5,838	4,831
15%	7,774	7,369	7,043	6,321	4,989	3,852
20%	7,243	6,785	6,420	5,609	4,132	2,882
25%	6,711	6,200	5,789	4,894	3,280	1,925
30%	6,180	5,611	5,167	4,191	2,424	844
Severity						

### CDR / Recovery lag combinations

	CDR					
	1.00%	1.28%	1.50%	2.00%	3.00%	4.00%
8	7,480	7,074	6,753	6,043	4,735	3,563
10	7,243	6,785	6,420	5,609	4,132	2,882
12	7,008	6,499	6,091	5,178	3,564	2,210
14	6,777	6,217	5,765	4,752	3,042	1,579
16	6,548	5,937	5,443	4,327	2,459	1,057
20	6,099	5,387	4,806	3,506	1,491	98
Lag						

### CDR / CPR combinations

	CDR					
	1.00%	1.28%	1.50%	2.00%	3.00%	4.00%
1.0%	7,303	6,819	6,457	5,628	4,121	2,830
1.5%	7,261	6,788	6,434	5,622	4,125	2,870
1.6%	7,243	6,785	6,420	5,609	4,132	2,882
2.0%	7,221	6,759	6,413	5,600	4,144	2,909
3.0%	7,131	6,700	6,354	5,585	4,175	2,998
4.0%	7,058	6,645	6,312	5,568	4,219	3,061
CPR						

# Lusitano 5 – Forecast CF and valuation

(EUR 000s)

Period CF		Class E CF	
IPD	Q	Cum CF	
01/2015	1	0	0
04/2015	2	0	0
07/2015	3	0	0
10/2015	4	0	0
01/2016	5	0	0
04/2016	6	0	0
07/2016	7	0	0
10/2016	8	0	0
01/2017	9	0	0
04/2017	10	0	0
07/2017	11	0	0
10/2017	12	0	0
01/2018	13	0	0
04/2018	14	345	345
07/2018	15	1,387	1,387
10/2018	16	2,828	2,828
01/2019	17	121	121
04/2019	18	119	119
07/2019	19	114	114
10/2019	20	114	114
01/2020	21	115	115
04/2020	22	114	114
07/2020	23	110	110
10/2020	24	109	109
01/2021	25	109	109
04/2021	26	108	108
07/2021	27	103	103
10/2021	28	103	103
01/2022	29	103	103
04/2022	30	102	102
07/2022	31	78	78
10/2022	32	46	46
01/2023	33	46	46
04/2023	34	45	45
07/2023	35	42	42
10/2023	36	42	42
01/2024	37	42	42
04/2024	38	41	41
07/2024	39	39	39
10/2024	40	38	38
01/2025	41	38	38
04/2025	42	37	37
07/2025	43	34	34
10/2025	44	34	34
01/2026	45	34	34
04/2026	46	33	33
07/2026	47	31	31
10/2026	48	31	31
01/2027	49	31	31
04/2027	50	30	30
07/2027	51	28	28
10/2027	52	27	27
01/2028	53	27	27
04/2028	54	27	27
07/2028	55	25	25
10/2028	56	25	25
01/2029	57	1,715	1,715

(EUR 000s)

## Valuation at different discount rates

discount rate	Value at 31/12/2014
0.0%	8,770
10.0%	4,935
<b>12.9%</b>	<b>4,306</b>
15.0%	3,916
20.0%	3,186

## Net present value at 12.87% under different combinations

## CDR / Severity combinations

	CDR					
	1.00%	1.50%	2.00%	2.50%	3.50%	4.50%
5%	7,824	7,434	7,052	6,706	6,048	5,457
10%	6,919	6,384	5,874	5,375	4,468	3,662
15%	6,042	5,339	4,690	4,058	2,877	1,949
<b>20%</b>	<b>5,155</b>	<b>4,306</b>	<b>3,502</b>	<b>2,735</b>	<b>1,498</b>	<b>742</b>
25%	4,279	3,289	2,359	1,537	598	0
30%	3,398	2,274	1,270	676	0	0

Severity

## CDR / Recovery lag combinations

	CDR					
	1.00%	1.50%	2.00%	2.50%	3.50%	4.50%
8	5,492	4,802	4,142	3,585	3,053	2,760
<b>10</b>	<b>5,155</b>	<b>4,306</b>	<b>3,502</b>	<b>2,735</b>	<b>1,498</b>	<b>742</b>
12	4,820	3,827	2,934	2,080	366	0
14	4,468	3,392	2,363	1,093	182	0
16	4,157	2,934	1,604	684	0	0
20	3,420	1,891	856	363	0	0

Lag

## CDR / CDR combinations

	CDR					
	1.00%	1.50%	2.00%	2.50%	3.50%	4.50%
0.8%	5,188	4,322	3,502	2,719	1,459	706
1.0%	5,171	4,316	3,505	2,733	1,484	726
<b>1.2%</b>	<b>5,155</b>	<b>4,306</b>	<b>3,502</b>	<b>2,735</b>	<b>1,498</b>	<b>742</b>
2.0%	5,094	4,280	3,504	2,764	1,568	804
3.0%	5,033	4,245	3,497	2,782	1,639	880
4.0%	4,985	4,214	3,491	2,795	1,691	941

CPR

## 4 GEMS (GERMAN SECOND LOSS)

## Fact sheet

<b>EETI Investment:</b>	<ul style="list-style-type: none"> <li>▶ 13.1% of the Class C Notes @ EUR 3M + 0.70% (par value of EUR 5,000k)</li> </ul>
<b>Securitisation structure:</b>	<ul style="list-style-type: none"> <li>▶ Synthetic RMBS – the transaction acts like an insurance against losses on an amortising mortgage pool; the only factor affecting principal and interest is the loss rate on foreclosed mortgages.</li> <li>▶ Losses are deducted from principal of the junior notes once the first loss piece is written-off.</li> </ul>
<b>Position:</b>	<ul style="list-style-type: none"> <li>▶ Mezzanine position, protected by a first loss piece as well as two tranches of rated notes.</li> <li>▶ Class C notes, originally rated A, are now rated CCC.</li> </ul>
<b>Principal CF drivers:</b>	<ul style="list-style-type: none"> <li>▶ New defaults or credit events (90-day+ arrears)</li> <li>▶ Loss severity (historically 90-95%)</li> <li>▶ Removal of ineligible loans (typically only removed at the credit event or loss deduction stage)</li> </ul>
<b>First loss reserve:</b>	<ul style="list-style-type: none"> <li>▶ Remaining loss protection consisting of the Class D and E notes of EUR 21.6m, corresponding to 21.8% of the current pool balance.</li> <li>▶ First loss reserve of EUR 20m already entirely consumed by losses.</li> </ul>
<b>Call:</b>	<ul style="list-style-type: none"> <li>▶ Commerzbank has not called the deal at the first optional call date in 3/2009.</li> <li>▶ The 10% clean-up call option could now be exercised at any point in time. Alternatively, the transaction could be terminated as when the pool balance has more substantially amortised.</li> </ul>

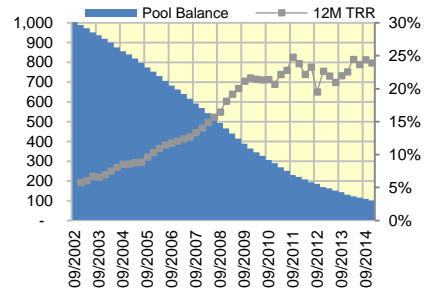
# Profile and performance

## Key transaction characteristics

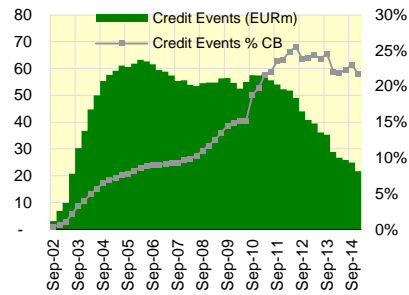
	Units	Gems
Issuer		Eurohypo
Rating		
Issue date		04/2002
M since issue		154
Final maturity date		12/2048
Issue amount (OB)	EURm	1,052
Current amount (CB)	EURm	99
	% OB	9%
Current collateral	EURm	99
Loan count		4,133
Avg balance	EURk	24.1
East Germany	% CB	37%
Investment properties		45%
12M CDR	% CB	-4.6%
24M CDR	% CB	-4.9%
12M Redemption Rate	% CB	24%
24M Redemption Rate	% CB	23%
Credit Events outstanding	EURm	21.6
<b>WA LTV</b>		<b>90.0%</b>
LTV <70%		12.0%
Buckets [70-80%[		31.0%
(at issue) [80-100%[		45.0%
[100-120%[		7.0%
[120-130%[		0.0%
Vintages <1990		1.2%
(at issue) 1990-1995[		6.2%
[1995-2000[		61.1%
[2000-02]		31.5%

## Collateral performance

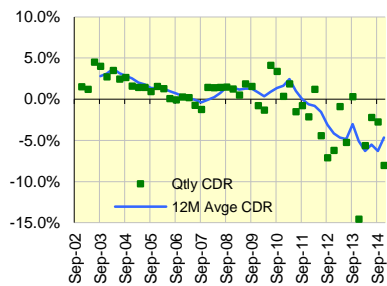
Outstanding Balance and 12M average Redemption rate (TRR)



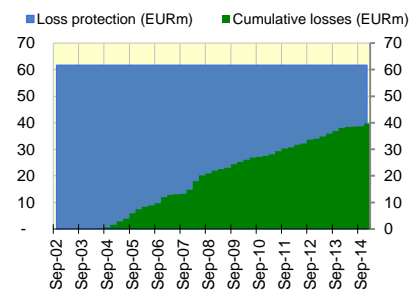
Outstanding Credit Events



Quarterly and 12M average default rates (CDR, %CB)



Loss Protection and Cumulative Losses



Sources: Cartesia, Trustee reports.



# Transaction performance and assumptions

## PERFORMANCE

- ▶ The transaction has continued to benefit from the removal of ineligible loans at the time of loss allocation, translating into a significant decrease in credit events, in addition to the foreclosure process.
  - Un-foreclosed credit events amount to EUR 21.6m at year-end vs. EUR 28.9m a year ago;
  - The EUR 7.3m reduction in credit events translated into less than EUR 2m in new losses, with the remaining EUR 5.3m decline in credit events stemming mostly from the removal of ineligible loans;
  - Loss severity remains high at 95% as the portfolio includes a large portion of investment properties, and mortgages in former East German states;
  - In addition, redemption continued at a rapid pace of 23% p.a., in line with the 24-month average. Current balance of the pool is of EUR 99m vs. EUR 131m at year-end 2013;
  - The declining inventory of defaulted loans as well as rapid amortization bodes well for the full principal and interest recovery of the position held by EETI.

## DEFAULT RATE (CDR)

- ▶ 0% CDR, assuming new defaults are balanced by the removal of ineligible loans. 24-month average CDR is actually negative (-4.6% p.a.).

## LOSS SEVERITY

- ▶ 95% based on reported data.

## TOTAL REDEMPTION RATE (TRR)

- ▶ 23% based on average 24-month redemptions.

## EURIBOR CURVE

- ▶ Set at the prevailing Euribor 3-month forward curve.

## MATURITY

- ▶ Natural amortisation of the pool.

### Comparison of revised and previous key assumptions

		CDR	Lag	Severity	TRR
Gems	New	0.0%	n/a	95%	23%
	Previous	0.0%	n/a	95%	23%

## Valuation and period CF

- ▶ The revised assumptions lead to a full recovery at maturity of the EUR 5m nominal of the position.
  - Current assumptions lead to an extension of the deal's life and the full reimbursement of the class C Notes held by EETI in Q3 2020.

(EUR 000s)

### Forecast period CF and NPV

discount rate	Value	% Par
sum cf	5,256	105.1%
6.4%	3,735	74.7%
8.5%	3,349	67.0%
10.0%	3,105	62.1%
12.5%	2,745	54.9%

Note: valuation date 31/12/14

	Principal	Spread 0.70% EUR3M	CF
01/03/2015	5,000	0.08%	9.8
01/06/2015	5,000	0.09%	9.9
01/09/2015	5,000	0.10%	10.0
01/12/2015	5,000	0.11%	10.1
01/03/2016	5,000	0.12%	10.3
01/06/2016	5,000	0.13%	10.4
01/09/2016	5,000	0.14%	10.5
01/12/2016	5,000	0.15%	10.6
01/03/2017	5,000	0.16%	10.8
01/06/2017	5,000	0.17%	10.9
01/09/2017	5,000	0.18%	11.0
01/12/2017	5,000	0.19%	11.1
01/03/2018	5,000	0.20%	11.3
01/06/2018	5,000	0.21%	11.4
01/09/2018	5,000	0.22%	11.5
01/12/2018	5,000	0.23%	11.6
01/03/2019	5,000	0.24%	11.8
01/06/2019	5,000	0.25%	11.9
01/09/2019	5,000	0.26%	12.0
01/12/2019	5,000	0.27%	12.1
01/03/2020	5,000	0.28%	12.3
01/06/2020	5,000	0.29%	12.4
01/09/2020	5,000	0.30%	5,012.5

# 5 LUDGATE

## Fact sheet

<b>EETI Investment:</b>	<ul style="list-style-type: none"> <li>▶ 100% of the Residual Certificates of Ludgate 2006-FF1</li> <li>▶ 100% of the Mortgage Early Repayment Certificates of Ludgate 2006-FF1</li> <li>▶ GBP denominated with an unhedged GBP/EUR exposure</li> </ul>
<b>Collateral:</b>	<ul style="list-style-type: none"> <li>▶ UK non-conforming residential mortgage loans</li> <li>▶ Dec. 2014 pool balance of GBP 134m</li> <li>▶ Underlying loans are essentially floating rate interest-only loans</li> </ul>
<b>Securitisation structure:</b>	<ul style="list-style-type: none"> <li>▶ First loss position entitled to all profit on the interest waterfall as well as the reserve amount at maturity.</li> <li>▶ Position also entitled to early repayment charges on mortgages.</li> </ul>
<b>Principal CF drivers:</b>	<ul style="list-style-type: none"> <li>▶ Pool excess spread, which is also impacted by the unhedged differential between the Bank of England Base Rate (the reference rate of the loans) and the GBP 3-month Libor (the reference rate of the notes)</li> <li>▶ Total redemption rate of loans (pool principally comprising interest-only mortgages)</li> <li>▶ New defaults (CDR)</li> <li>▶ Loss severity (historically 30%)</li> <li>▶ Recovery lag</li> </ul>
<b>Reserve Fund:</b>	<ul style="list-style-type: none"> <li>▶ GBP 1.15m fully funded reserve fund</li> <li>▶ The reserve fund will be paid out to the residual notes at maturity</li> </ul>
<b>Call:</b>	<ul style="list-style-type: none"> <li>▶ 10% clean-up call is assumed given the sound credit performance of the pool</li> </ul>

## Transaction overview

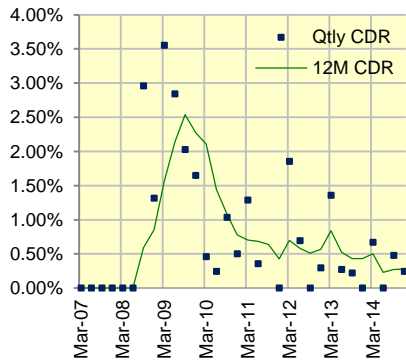
### HISTORY AND RECENT PERFORMANCE

- ▶ EETI holds 100% of the residual of the Ludgate 2006-FF1 transaction, a 2006 securitization of UK non-conforming mortgage loans. The instrument is entitled to the net excess spread of the mortgage book after interest on the notes and credit losses.
- ▶ The Ludgate investment used to be written-off until Q2 2014 as it had not cash flowed since late 2007, further to a severe imbalance in the deal, primarily stemming from the un-hedged mismatch between the Bank of England Base Rate (BBR) and the 3-month GBP Libor during the first years of the crisis.
  - The difference between BBR and Libor is an unhedged cost to the transaction (historically approx. 0.25% p.a.);
  - Between 2007 and 2009, the BBR / Libor differential soared to well over 1.0% p.a. thereby absorbing excess spread and creating an unpaid PDL / negative reserve situation;
  - It should be noted that the credit quality of the pool has never been an issue.
- ▶ The BBR / Libor relationship has stabilized since 2010 and both rates are now at the same level of 0.50%. As a consequence, the transaction has generated positive excess spread that has been allocated to the full repayment of PDLs.
- ▶ The residual held by EETI has started generating very substantial cash flow as of Q2 2014, with a total inflow of EUR 1.45m (at prevailing spot FX rates).
- ▶ At this juncture, the transaction is bound to generate substantial cash flow over the coming quarters, justifying the 2014 revaluation.

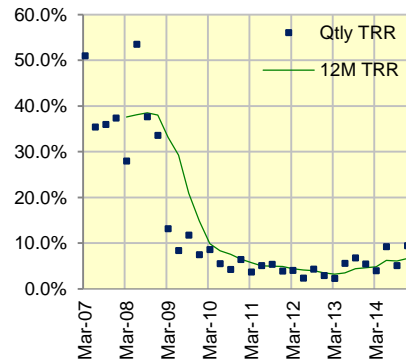
# Transaction overview (cont'd)

## CREDIT PERFORMANCE

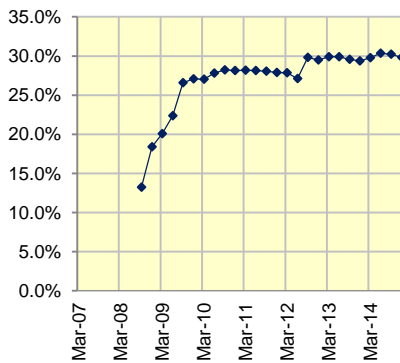
Quarterly and 12-m average default rates (CDR)



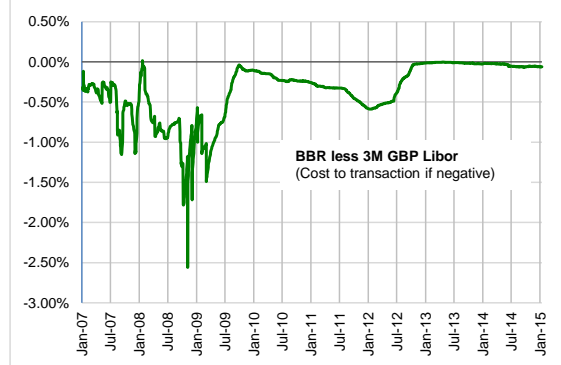
Quarterly and 12-m average total redemption rates (TRR)



Average loss severity on foreclosed mortgages



Quarterly and 12-m average total redemption rates (TRR)



Source: Cartesia, Trustee reports, Bloomberg.

## Valuation assumptions

### POOL EXCESS SPREAD BEFORE LOSSES

- ▶ 1.45% p.a. composed on the following:
  - Weighted average margin on the mortgage loans assumed to be 1.65%;
  - BBR/LIBOR mismatch costing 0.20% p.a. to the transaction.
- ▶ Note this assumption both understates the current margin on the underlying loans (closer to 1.8%) and the cost of the BBR/Libor mismatch.

### DEFAULT RATE (CDR)

- ▶ 1% CDR p.a.

### LOSS SEVERITY

- ▶ 30% based on reported data.

### TOTAL REDEMPTION RATE (TRR)

- ▶ Starting point at 7% p.a. based on average 24-month redemptions.
- ▶ Yearly step-ups thereafter.

### MATURITY

- ▶ 10% clean-up call (when balance reached GBP 37.5m).

# Valuation and period CF

## Forecast period CF and NPV

	Ludgate 06	
	GBP	EUR
Cumulative CF:	6,555	8,440
Net Present Value:	5,014	6,456
Discount Rate:	12.87%	12.87%
Spot Exchange Rate:	0.7766	1.2876

IPD	GBP CASH FLOW		EUR CASH FLOW	
	Quarterly	Cumulative	Quarterly	Cumulative
	17/03/2015	394	394	508
17/06/2015	386	781	497	1,005
17/09/2015	378	1,159	487	1,493
17/12/2015	371	1,530	477	1,970
17/03/2016	359	1,889	462	2,432
17/06/2016	348	2,237	448	2,880
17/09/2016	337	2,574	434	3,314
17/12/2016	327	2,901	420	3,735
17/03/2017	312	3,212	401	4,136
17/06/2017	298	3,510	383	4,520
17/09/2017	284	3,794	366	4,886
17/12/2017	271	4,066	350	5,235
17/03/2018	253	4,319	326	5,561
17/06/2018	236	4,555	304	5,865
17/09/2018	220	4,775	284	6,149
17/12/2018	205	4,981	265	6,413
17/03/2019	185	5,166	238	6,652
17/06/2019	167	5,333	215	6,866
17/09/2019	150	5,483	193	7,059
17/12/2019	1,073	6,555	1,381	8,440

## GBP value at different total redemption rates and gross excess spread assumptions (12.87% discount rate)

	Starting Total Redemption Rate (TRR; upward sloping thereafter)						
	5.00%	7.00%	10.00%	13.00%	16.00%	19.00%	22.00%
1.25%	4,440	4,266	3,939	3,687	3,456	3,197	3,007
1.35%	4,832	4,640	4,277	3,998	3,743	3,454	3,242
1.45%	5,223	5,014	4,615	4,308	4,029	3,710	3,478
1.65%	6,006	5,762	5,291	4,930	4,601	4,223	3,949
1.75%	6,397	6,136	5,629	5,241	4,887	4,479	4,184
1.85%	6,789	6,510	5,967	5,552	5,173	4,736	4,420
<b>Gross Excess Spread</b>							



## 6 MINOTAURE (FRENCH FIRST LOSS)

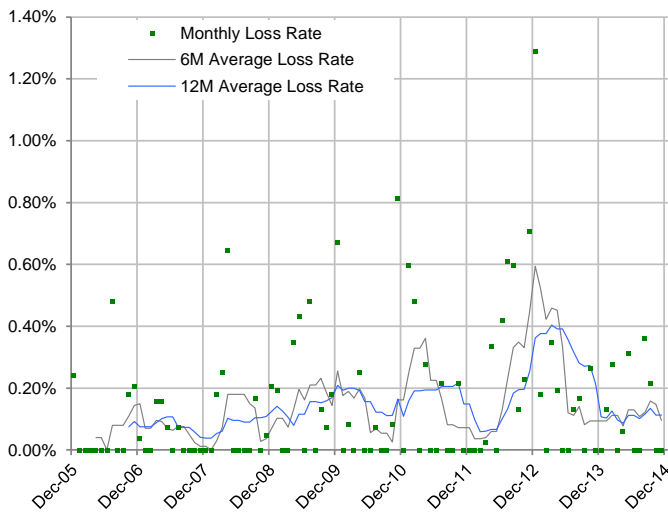
## Minotaure 2004-1 – Fact sheet

<b>EETI Investment:</b>	<ul style="list-style-type: none"> <li>▶ 50% of the Class R residual notes</li> <li>▶ 1 unit (out of 2) of FCC Minotaure 2004-1, the securitization vehicle, opening right to all remaining cash flow at the vehicle's liquidation</li> </ul>
<b>Securitization structure:</b>	<ul style="list-style-type: none"> <li>▶ Cash securitization of mortgage loans extended to their employees by EDF / GDF and their affiliates, the French State-run utilities.</li> <li>▶ The mortgage loans have been extended at below market rate by EDF / GDF. To enable a refinancing of the portfolio, the loans have been sold below par (approx. 12% discount).</li> </ul>
<b>Position:</b>	▶ <b>First loss position</b> entitled to all profit on the interest and principal waterfall as well as the reserve amount.
<b>Reserve</b>	▶ EUR 2.955m reserve at its required level; the residual is entitled to the full reserve amount at maturity.
<b>Principal CF drivers:</b>	<ul style="list-style-type: none"> <li>▶ Death of employees (in which case EDF / GDF forego the mortgage loan)</li> <li>▶ Permanent incapacitation due to work-related accidents (in which case EDF / GDF forego the loan)</li> <li>▶ Prepayments (as the portfolio has been purchased below par, principal repayments generate a profit in the securitization structure)</li> </ul>
<b>Clean-up call / Maturity:</b>	<ul style="list-style-type: none"> <li>▶ 10% clean-up call expected in 2021</li> <li>▶ Legal final in 2026</li> </ul>

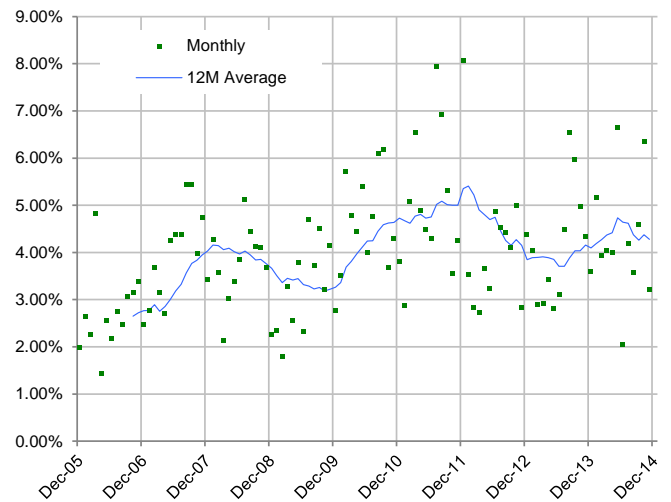
# Performance and outlook

- ▶ The Minotaure transaction continues to perform according to forecast, with loss and prepayment rates broadly in line with assumptions.
- ▶ The residual position held by EETI is not expected to cash flow until the full repayment of the senior bonds however.
  - At this stage, all principal flows and available interest margin are used to repay the senior bonds; the waterfall is effectively shut to subordinated and residual notes.

Loss rates since issue (all figures annualised)



Prepayment rates since issue (all figures annualised)



Note: All rates expressed on an annualized basis.

## ASSUMPTIONS

### Comparison of revised and previous key assumptions

		Yearly Loss Rate	CPR
Minotaure	New	0.23%	4.2%
	Previous	0.20%	5.0%

# Valuation and period CF

(EUR 000s)

## Forecast period CF and NPV

discount rate	Value
Sum CF	3,210
7.9%	2,003
10.0%	1,773
<b>12.9%</b>	<b>1,510</b>
15.0%	1,344

	CF
22/03/2015	-
22/06/2015	-
22/09/2015	-
22/12/2015	-
22/03/2016	-
22/06/2016	-
22/09/2016	-
22/12/2016	-
22/03/2017	-
22/06/2017	-
22/09/2017	-
22/12/2017	-
22/03/2018	-
22/06/2018	-
22/09/2018	-
22/12/2018	-
22/03/2019	-
22/06/2019	-
22/09/2019	-
22/12/2019	-
22/03/2020	-
22/06/2020	-
22/09/2020	-
22/12/2020	-
22/03/2021	3,210.0

## 7 OTHER POSITIONS

## Sestante 4 Class A1

- ▶ Sestante 4 Class A1 is the most senior class of Sestante 4, an Italian securitisation of residential mortgage loans.
  - Class A1 is entitled to all the principal repayment under the mortgage pool and is therefore receiving substantial quarterly amortizations;
  - Coupon is of EUR3M + 0.16% p.a., payable quarterly.

### Valuation

(EUR 000s)

#### Forecast period CF and NPV

<b>Sestante 4A1</b>	
Discount rate:	6.37%
Net Present Value:	86.3
Total Cash Flow :	100.3

	IPD	Q	EUR3M	CF
23/01/2015	1	0.03%		19.5
23/04/2015	2	0.05%		19.0
23/07/2015	3	0.07%		1.6
23/10/2015	4	0.09%		1.5
23/01/2016	5	0.11%		1.7
23/04/2016	6	0.13%		1.6
23/07/2016	7	0.15%		1.6
23/10/2016	8	0.17%		1.5
23/01/2017	9	0.19%		1.6
23/04/2017	10	0.21%		1.6
23/07/2017	11	0.23%		1.5
23/10/2017	12	0.25%		1.5
23/01/2018	13	0.27%		1.9
23/04/2018	14	0.29%		1.9
23/07/2018	15	0.31%		1.8
23/10/2018	16	0.33%		1.8
23/01/2019	17	0.35%		1.8
23/04/2019	18	0.37%		1.8
23/07/2019	19	0.39%		1.7
23/10/2019	20	0.41%		1.7
23/01/2020	21	0.43%		1.7
23/04/2020	22	0.45%		19.4
23/07/2020	23	0.47%		10.7

# Appendix

# Summary of quarterly portfolio assumptions since Q4 2012

Positions	CDR										CPR										Loss Severity										
	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q4 2014	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q4 2014	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014		
Lusitano 3	0.90%	1.04%	1.20%	1.22%	1.35%	1.39%	1.39%	1.38%	1.28%	1.28%	2.50%	2.25%	1.90%	1.80%	1.70%	1.68%	1.58%	1.56%	1.59%	1.59%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	
Lusitano 5	1.30%	1.41%	1.57%	1.67%	1.71%	1.79%	1.77%	1.72%	1.50%	1.50%	2.20%	2.00%	1.80%	1.60%	1.50%	1.36%	1.27%	1.24%	1.23%	1.23%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	
Pastor 2	0.20%	0.22%	0.29%	0.30%	0.35%	0.39%	0.47%	0.53%	0.53%	0.53%	5.10%	4.90%	4.60%	4.60%	4.60%	4.40%	4.31%	3.97%	4.05%	4.05%	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	
Pastor 3	2.40%	2.73%	2.91%	3.37%	3.93%	4.11%	4.02%	3.75%	3.61%	3.61%	3.10%	2.90%	3.10%	3.00%	3.00%	3.00%	3.21%	3.09%	3.15%	3.15%	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	
Pastor 4	2.20%	2.33%	2.46%	2.58%	3.06%	3.10%	2.97%	3.10%	2.98%	2.98%	3.20%	3.00%	3.00%	2.90%	3.00%	3.10%	3.25%	3.17%	3.39%	3.39%	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	
Pastor 5	2.00%	2.14%	1.90%	2.12%	3.07%	3.31%	3.50%	3.63%	3.41%	3.41%	3.30%	2.90%	2.90%	2.80%	2.80%	2.80%	2.86%	2.83%	2.77%	2.77%	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	
Gems	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	95%	95%	95%	92%	95%	95%	95%	95%	95%	95%	
Minotaure	0.20%	0.22%	0.18%	0.22%	0.22%	0.23%	0.26%	0.20%	0.23%	0.23%	4.58%	4.56%	4.27%	4.07%	4.16%	4.20%	4.30%	4.15%	4.22%	4.22%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	
Sestante 4 A1																															
Ludgate							1.00%	1.00%	1.00%	1.00%							5.00%	5.20%	8.10%	8.10%								30%	30%	30%	



## Summary of quarterly portfolio assumptions since Q4 2012 (cont'd)

Positions	Recovery Lag									Discount Rate								
	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Lusitano 3	10	10	10	10	10	10	10	10	10	10.00%	9.90%	9.78%	9.48%	9.00%	8.77%	8.49%	8.11%	7.87%
Lusitano 5	10	10	10	10	10	10	10	10	10	15.00%	14.90%	14.78%	14.48%	14.00%	13.77%	13.49%	13.11%	12.87%
Pastor 2	10	10	10	10	10	10	10	10	10	10.00%	9.90%	9.78%	9.48%	9.00%	8.77%	8.49%	8.11%	7.87%
Pastor 3	10	10	10	10	10	10	10	10	10	15.00%	14.90%	14.78%	14.48%	14.00%	13.77%	13.49%	13.11%	12.87%
Pastor 4	10	10	10	10	10	10	10	10	10	15.00%	14.90%	14.78%	14.48%	14.00%	13.77%	13.49%	13.11%	12.87%
Pastor 5	10	10	10	10	10	10	10	10	10	15.00%	14.90%	14.78%	14.48%	14.00%	13.77%	13.49%	13.11%	12.87%
Gems	nm	nm	nm	nm	nm	nm	nm	nm	nm	8.50%	8.40%	8.28%	7.98%	7.50%	7.27%	6.99%	6.61%	6.37%
Minotaure	nm	nm	nm	nm	nm	nm	nm	nm	nm	15.00%	14.90%	14.78%	14.48%	14.00%	13.77%	13.49%	13.11%	12.87%
Sestante 4 A1										8.50%	8.40%	8.28%	7.98%	7.50%	7.27%	6.99%	6.61%	6.37%
Ludgate							4	4	4							13.49%	13.11%	12.87%

## Summary of quarterly portfolio book values since Q4 2012

(EUR 000s)	31/12/2012		31/03/2013		30/06/2013		30/09/2013		31/12/2013	
	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation
<b>Lusitano 3</b>	6,070	13	5,947	(266)	5,862	(225)	5,581	(330)	5,803	228
<b>Lusitano 5</b>	2,762	627	2,430	(431)	2,631	116	3,009	206	2,841	(279)
<b>Pastor 2</b>	2,826	(520)	2,863	(24)	2,946	14	3,123	115	3,257	63
<b>Pastor 3</b>	502	(531)	184	(336)	287	97	68	(230)	68	(1)
<b>Pastor 4</b>	2,357	(459)	2,267	(172)	2,376	28	2,528	60	2,272	(344)
<b>Pastor 5</b>	855	23	903	18	1,165	229	1,199	(11)	448	(793)
<b>Semper</b>	6,720	(200)	6,719	(1)		(626)				
<b>Gems</b>	3,208	1,234	3,397	136	4,119	663	4,269	52	4,504	163
<b>Minotaure</b>	920	(1,321)	1,010	58	1,070	23	1,131	22	1,190	20
<b>Sestante 4 A1</b>	173	(7)	163	(3)	153	0	150	3	137	(5)
<b>Ludgate</b>										
<b>TOTAL</b>	<b>26,394</b>	<b>(1,142)</b>	<b>25,884</b>	<b>(1,020)</b>	<b>20,608</b>	<b>319</b>	<b>21,059</b>	<b>(113)</b>	<b>20,521</b>	<b>(947)</b>

## Summary of quarterly portfolio book values since Q4 2012 (cont'd)

(EUR 000s)	31/03/2014		30/06/2014		30/09/2014		31/12/2014		Total (Markdown) / Revaluation in FY	
	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	2013	2014
<b>Lusitano 3</b>	5,769	132	6,129	317	6,338	331	6,678	452	(593)	1,232
<b>Lusitano 5</b>	2,926	81	3,244	224	3,796	448	4,198	282	(388)	1,035
<b>Pastor 2</b>	3,278	(42)	3,393	45	3,526	62	3,600	34	168	99
<b>Pastor 3</b>	0	(70)	0	0	0	0	0	0	(470)	(70)
<b>Pastor 4</b>	2,324	(13)	333	(2,067)	389	45	665	264	(428)	(1,771)
<b>Pastor 5</b>	427	(31)	0	(441)	0	0	0	0	(557)	(472)
<b>Semper</b>					0	0			(627)	0
<b>Gems</b>	4,654	110	3,577	(1,148)	3,648	22	3,716	21	1,014	(995)
<b>Minotaure</b>	1,245	18	1,308	22	1,338	(13)	1,506	127	124	154
<b>Sestante 4 A1</b>	127	0	123	6	105	(7)	85	(10)	(5)	(11)
<b>Ludgate</b>			6,590	6,590	6,507	281	6,266	132		7,003
<b>TOTAL</b>	<b>20,751</b>	<b>186</b>	<b>24,697</b>	<b>3,548</b>	<b>25,647</b>	<b>1,169</b>	<b>26,715</b>	<b>1,300</b>	<b>(1,762)</b>	<b>6,203</b>

