

Rated entity:

Registered notes issued by New Place Investments S.à.r.l., acting for and on behalf of its compartment ELL_EUR_001

Rating:

BBB-

Rating outlook / addition:

Outlook stable

Basic rating data:

Initial Issue Date	22.10.2018
Jurisdiction Rated Entity	English law
Exchange	No listing
Legal Form	S.à.r.l. – Luxembourg securitisation vehicle
Issue Volumen	Up to EUR 102.000.000
Seniority	Non subordinated
Collateralisation	Unsecured
Credit Enhancement	Existing
Legal Maturity	30.09.2033
Cupon	1,5% p.a.
Cupon Period	Quarterly
Cupon Type	Fix
Lead Analyst	Jan Löckenhoff - j.loeckenhoff@creditreform-rating.de / +49 2131 109
Co-Analyst	Lars Köhler - l.koehler@creditreform-rating.de / +49 2131 109

Rating rationale:

Object of this rating are the Registered Notes (rating object) issued by New Place Investments S.à.r.l., compartment ELL_EUR_001 (issuer). The issuer invests the proceeds directly in the form of debt in a senior secured loan portfolio. The investments has been made without an investment vehicle. The relevant manager is Five Arrows Managers LLP. The CRA rating of BBB-/stable represents a highly satisfactory level of credit quality and a low to medium investment risk. The ability of the Issuer to meet the obligations arising from the Notes depends significantly on the credit quality of these loans and the performance of the leveraged loan portfolio. The Notes and the transaction under review represent a market standard securitization structure under the laws of Luxembourg. The Issuer has been provided with a typical bankruptcy-remote structure. All parties of the transaction are well-established market participants – and with the exception of the Issuer and the Investment Manager – potentially replaceable without any adverse effects for the structure. The structure itself is common for transactions of this type, and we could not detect any unfavorable features. The historical performance of the Manager's European Leveraged Loan strategy is positive and the manager was able to outperform the benchmark consistently since the inception of this strategy. Risks arise from the disruptions of the worldwide COVID-19 pandemic and the resulting economic losses. The portfolio is fully established and meets the expectations of the CRA. Our cash flow analysis and sensitivity test show that under the baseline scenario reflecting the current status of the portfolio, the Issuer will be able to generate sufficient cash flow to pay the fixed coupon and repay the outstanding principal amount of the Notes in a timely manner.

Primary key rating driver:

- (+) Issuer is a Luxembourg special purpose securitization vehicle, which is governed by the Luxembourg law of 22nd March 2004 and could be deemed as an insolvency remote vehicle
- (+) Credit Enhancement will be created through early amortization payments on each payment date over the term of the bonds
- (+) The underlying portfolio is well diversified over different sectors and geographies
- (+) Solid track record of the asset manager, even throughout the COVID-19 pandemic
- (-) Sub-investment grade credit quality of the underlying assets
- (-) Typically no lead position in loan origination, risk of increasing number of cov-lite assets
- (-) Risks from the disruptions of the worldwide COVID-19 pandemic and potential economic losses

Ratings sensitivities:

Best-case scenario: In this scenario, we stressed (ceteris paribus) the credit quality (PD) of the portfolio assets by decreasing the average PD to 2,0% p.a., resulting in a rating of BBB+.

Worst-case scenario: In this scenario, we stressed (ceteris paribus) default correlation of the portfolio assets by an amount of + 20%, resulting in a rating of BB.

ESG-Criteria:

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the present case, ESG criteria had no comprehensive impact to the rating.

ESG factors with material impact were not identified.

Latest rating date / Disclosure to rated entity / Maximum validity:

30.11.2020 / 30.11.2020 / 30.09.2033

Between the disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

Initial rating date:

11.12.2018 / BBB- / Outlook stable

Status of solicitation:

The rating is a solicited rating. The degree of participation was as follows:

With Rated Entity or Related Third Party Participation: Yes

With Access to Internal Documents: Yes

With Access to Management: Yes

Notes:

This document is a CRA Press Release. The CRA Press Release outlines significant rating-relevant changes compared to CRA's most recent rating action (see rating history in the Appendix). It immediately follows that the assigned rating must not be limited to the motivators mentioned in the CRA Press Release. Instead, a comprehensive acknowledgement of all explanations provided in previous reports, other forms of documentation, rating updates and, in particular, the CRA initial rating report is indispensable. At this point, CRA refers the reader to these forms of documentation, rating updates and reports.

Regulatory Requirements and Legal Disclosures :

Creditreform Rating AG was mandated on 23/10/2018 by New Place Investments S.à.r.l. to conduct a rating for the registered notes under English law, issued by New Place Investments S.à.r.l., acting for and on behalf of its compartment ELL_EUR_001. This is a public rating which is regulatory applicable according to EU Regulation 1060/2009 (CRA-Regulation).

The rating was conducted on the basis of Creditreform Rating's "Issue Ratings" and "Technical Documentation - Portfolio Loss Distribution" in conjunction with Creditreform's basic document "Rating Criteria and Definitions".

Important sources of information in the context of the rating were, in addition to the submitted documents, a due diligence meeting in London on 16/09/2019. The submitted documents and information provided by FAM or rather the Issuer were sufficient to meet the requirements of Creditreform Rating AG's rating methodology.

A complete description of Creditreform Rating's rating methodologies and Creditreform's basic document "Rating Criteria and Definitions" is published on the following internet page:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

On the subject of ESG (environment, social and governance), Creditreform Rating AG has published the basic document "The Impact of ESG Factors on Credit Ratings", which is available on the homepage under the following link:

<https://creditreform-rating.de/en/about-us/regulatory-requirements.html>

This rating was carried out by analysts Jan Löckenhoff (Lead) and Lars Köhler, all located in Neuss/Germany. The function of Person Approving Credit Ratings (PAC) was performed by Sascha Pomorin.

Closing of the transaction occurred on 22/10/2020. The rating is based on the portfolio information and transaction documentation as of 26/11/2020, as provided by FAM or the Issuer.

The issuer or all relevant parties have examined the rating report prior to publication and were provided with at least one full working day to appeal the rating committee decision and provide additional information. The rating decision was not amended following this examination.

In addition to the provision of rating activity, no further ancillary services were provided.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Conflicts of Interest

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

In case of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

Rules on the Presentation of Credit Ratings and Rating Outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our "Rating Committee" policy, all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Transaction structure and participants
2. Transaction documents
3. Issuance documents

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

This rating was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

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In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated including any rating outlooks is indicated clearly and prominently in the "Basic Data" card or in the press release published on Creditreform Rating's website as a "rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within „Basic data“ information card Creditreform`s basic document "Rating Criteria and Definitions".

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website:

<https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform`s default rates are available in the credit rating methodologies disclosed on the website. Further information can also be found on the CRA website in the document "Rating Criteria and Definitions".

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