

## Rating Object:

Bearer notes (ABCRED III Notes) with ISIN XS1704854089 issued by AB Commercial Real Estate Debt German Feeder Fund S.C.S. SICAV-RAIF, AB Commercial Real Estate Debt German Feeder Fund III

## Rating:

BBB-

## Rating Outlook / Addition:

Outlook negative

## Rating Information:

Initial Issue Date	20/06/2018
Jurisdiction Rating Object	Federal Republic of Germany
Exchange	---
Legal Form	S.C.S. SICAV-RAIF
Volume	USD 153,000,000
Seniority	Non-subordinated
Collateralization	Unsecured
Credit Enhancement	Available
Legal Maturity	20/06/2030
Coupon	2.5% p.a.
Coupon Period	Quarterly
Coupon Type	Fix, non-deferrable
Lead Analyst	Christian Schönherr   c.schoenherr@creditreform-rating.de / +49 2131 109 1209
Co-Analyst	Luca Olmes   l.olmes@creditreform-rating.de / +49 2131 109 1114

## Rating Rationale:

Over the past 12 months the portfolio quality has significantly deteriorated due to several additional defaults within the portfolio. As a result of these defaults, the issuer is facing possible interest generation problems, which threatens full servicing of its own liabilities. According to the manager, undrawn sponsor commitments in favor of the borrower—intended to support ongoing liquidity—are not expected to be utilized. Based on the manager's assessment, the issuer's current liquidity is expected to be sufficient until approximately Q2 2026. In addition, incoming proceeds from the anticipated sale of two portfolio assets by year-end are proposed to be utilized to establish a revolving 12-month liquidity reserve, with the remaining funds applied to partial redemption of the notes. While the planned redemption is viewed positively and will further strengthen the credit enhancement, CRA sees elevated liquidity risks due to the relatively limited liquidity cushion the issuer intends to retain. Consequently, the issuer remains reliant on further successful portfolio realizations within the next 12 months in order to continue servicing its debt obligations in a timely manner beyond the period covered by available liquidity in the structure. In view of the inherent liquidity risks and dependency on the asset manager's discretion regarding cash management, CRA, for the time being, deems a downgrade of two notches to be warranted. A more pronounced down-notching is initially being avoided due to the existing loss buffer at the issuer level with an outstanding note volume of approx. USD 20m offset by a NAV of more than USD 50m, which should support repayment of the outstanding principal. Expected future realization proceeds from the portfolio, further reducing the investor's exposure, are also viewed positively. The outlook remains negative, as CRA does not rule out a potential increase in liquidity risks because of the manager's low-probability assessment of further realizations in 2026.

## Primary Key Rating Factors:

- (+) Significant equity buffer of 61.2% as loss protection for the notes
- (+) Rating object indirectly participates from a substantial collateral package at the underlying investments level
- (+) Track record of the manager AllianceBernstein
- (-) Reduction of the portfolio leads to increased concentration in the struggling office sector
- (-) Portfolio is currently generating little to no recurring income as a result of several defaults
- (-) Elevated liquidity risks due to dependency on the timing and recoveries from portfolio realizations

**Ratings Sensitivities:**

Best-case scenario: In this scenario, we stressed (ceteris paribus) the recovery delay period by -3 months, resulting in a rating of AA.

Worst-case scenario: In this scenario, we stressed (ceteris paribus) the recovery delay period by +6 months, resulting in a rating of B-.

**ESG-Criteria:**

CRA generally incorporates ESG factors (Environmental, Social, and Governance) into the assessment of the rating object and indicates the extent to which ESG factors have a significant impact on the credit rating and can thus be classified as a key rating driver. In this rating, no ESG-relevant factors with a significant impact on the credit rating were identified.

**Latest Rating Date / Disclosure to Rated Entity / Maximum Validity:**

12/15/2025 / 12/16/2025 / 6/20/2030

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:**

7/23/2017 / BBB+

**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. 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 March 29, 2016 by AllianceBernstein to conduct a rating for the bearer notes under German law, issued by AB Commercial Real Estate Debt German Feeder Fund S.C.S. SICAV-RAIF, AB Commercial Real Estate Debt German Feeder Fund III. 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 "Commercial Real Estate Financings and Securitizations" 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 via a conference call on 9/23/2025. The submitted documents and information provided 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 Christian Schönherr (Lead) and Luca Olmes. The function of Person Approving Credit Ratings (PAC) was performed by Sascha Pomorin.

Closing of the transaction occurred on 5/18/2018. The rating is based on the portfolio information and transaction documentation as of 12/15/2025.

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 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009. 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 EU Regulation 1060/2009.

## 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.

Creditreform Rating AG guarantees that the provision of ancillary services does not cause a conflict of interest with its rating activities, and discloses in the final rating report which ancillary services were provided for the rating object or for third parties associated with it. The following ancillary services were provided for this rating object or for related third parties:

- Rating-related services for the relevant rating object.

The final list of rating-related and other services can be viewed on the Creditreform Rating AG website at <https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html#non-core-business-activities>.

## 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 EU Regulation 1060/2009.

The “Basic Data” information card or the press release published on Creditreform Rating’s website indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

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 in 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://registers.esma.europa.eu/cerep-publication/>.

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”.

## **Disclaimer**

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one’s own research, inquiries and assessments.

We have assumed that the documents and information made available to us by the client are complete and accurate and that the copies provided to us represent the full and unchanged contents of the original documents. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

This report is protected by copyright. Any commercial use is prohibited without prior written permission from Creditreform Rating AG. Only the full report may be published in order to prevent distortion of the report’s overall assessment. Excerpts may only be used with the express consent of Creditreform Rating AG. Publication of the report without the consent of Creditreform Rating AG is prohibited. Only ratings published on the Creditreform Rating AG web pages remain valid.

Creditreform Rating AG

## Contact

### **Creditreform Rating AG**

Europadamm 2-6  
D - 41460 Neuss

Phone +49 (0) 2131 / 109-626  
Fax +49 (0) 2131 / 109-627  
E-Mail [info@creditreform-rating.de](mailto:info@creditreform-rating.de)  
Internet [www.creditreform-rating.de](http://www.creditreform-rating.de)

Chief Executive Officer:  
Dr. Michael Munsch  
Chairman of the Supervisory Board:  
Michael Bruns

HRB 10522, Amtsgericht Neuss