

**Rating Object:**

Registered Bonds with the ISIN: LU1902328910 issued by New Place Investments S.à r.l., Compartment ELL\_EUR\_001

**Rating:**

BBB-

**Rating Outlook / Addition:**

Outlook positive

**Rating Information:**

Initial Issue Date	22/10/2018
Jurisdiction Rating Object	English law
Exchange	No public listing
Legal Form	S.à r.l. - Société à Responsabilité Limitée
Volume	Up to EUR 102 million
Seniority	Non-subordinated
Collateralisation	Unsecured
Credit Enhancement	Available
Legal Maturity	30/09/2033
Coupon	1.5% p.a.
Coupon Period	Quarterly
Coupon Type	Fix, deferrable
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**Rating Rationale:**

Compared to the last rating assessment CRA confirms elevated structural and operational risks as well as high portfolio and credit risks. The realised credit enhancement has increased due to several amortisation payments made on the notes. Additionally, the assets in the underlying loan portfolio have experienced a price appreciation improving NAV per share significantly. However, selling part of the loans below par at the request of noteholders sets a worrying precedent. If such transactions reoccur in the future, the value of the portfolio in relation to the outstanding capital invested might be jeopardised and the rating could be adversely affected. The current global economic downturn is likely to have a negative impact on the operating performance of leveraged loan target companies. The ability of the borrower to meet the obligations arising from the rating object depends significantly on the credit quality and performance of the underlying leveraged loan portfolio. While existing leveraged loans benefitted from high interest rates due to their floating-rate character, the higher interest burden and increased debt service puts additional pressure on the portfolio companies and their credit quality. Nevertheless, according to the manager, the performance of the investments has been resilient over the last 12 months. The cash flow analysis shows that under the base case scenario reflecting the current status of the portfolio, the issuer will be able to generate sufficient cash flows to pay the fixed coupon and repay the outstanding invested capital of the notes in full and in a timely manner. However, the current rating result can be maintained only by gradual build-up of further credit enhancement. Therefore, the rating is highly dependent on the potential discretionary decisions of the issuer regarding regular amortisation payments. Due to the overall positive development of the portfolio, CRA confirms the rating of BBB- and assigns a positive outlook.

**Primary Key Rating Factors:**

- (+) Issuer is a Luxembourg special purpose securitization vehicle and could be deemed as an insolvency remote vehicle
- (+) The underlying portfolio is well diversified over different sectors and geographies
- (+) Realised credit enhancement has improved since the last rating action
- (+) Increased amortisation payment potential from base rate effects at least for the short to medium term
- (-) Risk from potential additional discretionary redemptions of notes at pricing below par
- (-) Continued tense market environment for leveraged loans corresponding to mark-to-market implications on the NAV of the issuer
- (-) Sub-investment grade credit quality of the underlying assets
- (-) Typically no lead position in loan origination, risk of increasing number of cov-lite assets

**Ratings Sensitivities:**

Best-case scenario: In this scenario, we stressed (ceteris paribus) the credit quality of the portfolio assets by decreasing the average PD by 1 notch and by increasing the total coupon of the underlying assets by 100 bps, resulting in a rating of A.

Worst-case scenario: In this scenario, we stressed (ceteris paribus) the credit quality of the portfolio assets by increasing the average PD by 1 notch, resulting in a rating of BB.

**ESG-Criteria:**

CRA generally takes ESG-relevant factors (environmental, social and governance) into account when assessing the rating object. In the present case, ESG criteria had a low comprehensive impact to the rating.

ESG factors with material impact were not identified.

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

08/12/2023 / 08/12/2023 / 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. 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 23/11/2018 by Five Arrows Managers LLP 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, email communication. The submitted documents and information provided by Five Arrows Managers LLP 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 Agne Bacionyte (Lead), Dominik Klunder and Qinghang Lin, all located in Neuss/Germany. The function of Person Approving Credit Ratings (PAC) was performed by Sascha Pomorin.

Closing of the transaction occurred on 22/10/2018. The rating is based on the portfolio information and transaction documentation as of 27/11/2023, as provided by Five Arrows Managers LLP 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.

Ancillary services were provided. A pre-rating was conducted.

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".

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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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