

Rating Object:

Bearer notes with the ISIN: XS1760446168 issued by CRE Loan Debt Issuance S.à r.l., Compartment CRE Senior 9 Issuance

Rating:

BBB+

Rating Outlook / Addition:

Outlook stable

Rating Information:

Initial Issue Date	5/29/2015
Jurisdiction Rating Object	Luxembourg law
Exchange	--
Legal Form	Luxembourg securitization company in the form of a S.á r.l
Issue Volumen	EUR 350m
Seniority	Non-subordinated
Collateralisation	Unsecured
Credit Enhancement	Available
Legal Maturity	5/29/2027
Coupon	0.25% p.a.
Coupon Period	Annually
Coupon Type	Fix, deferrable
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Rating Rationale:

As of the rating date, CRA identifies low structural risks affecting the rating object. Particularly, CRA sees no significant adverse change in the structural risk compared to its previous rating action. CRA continues to see increased operational risks mainly arising from present and prospective event-driven market uncertainties, most notably Russia's war against Ukraine and recent macroeconomic trends. The analysts maintain the opinion that the manager's asset class-specific experience and capabilities are likely to reduce some of the operational risk in the structure. CRA identifies increased portfolio and credit risk as compared to its last rating action. The three defaulted Intu loans are still in the recovery process but total loss provision has meanwhile increased significantly as compared to the time of CRA's last rating action. According to the manager, there are presently no other impairments in the portfolio and trading the Intu SGS (2022) exposure at a significantly higher than expected recovery may be realized in Q3 2023. Adopting the updated loss expectation in its quantitative analysis, CRA derives a BBB+ base-case result. No additional qualitative notching was applied to the quantitative result to derive the final rating.

Primary Key Rating Factors:

- (+) Credit Enhancement building up through use of excess spread for early Note redemption
- (+) Hedging of FX risks from non-EUR investments made by the IVV
- (+) Minimum Cash Reserve at borrower level amounting to 0.5% of the notes outstanding nominal amount
- (+) Diversified portfolio of loans secured by first lien mortgages, other assets and covenants
- (-) Illiquid underlying assets, especially in times of economic downturns
- (-) Market-driven uncertainties in the wake of recent macroeconomic trends (e.g. high inflation, rapid increase in interest rates)
- (-) Possibility to leverage up to 10.0% of the aggregate amount of the subscribers maximum commitments at CRE Senior 9 Issuance level. IVV's possibility to leverage up to 25.0% (short term, bridge financing) of the NAV at fund level
- (-) 3 loans in default and recovery process with expected losses increasing throughout the workout process

Ratings Sensitivities:

Best-case scenario: CRA assumes in its best-case scenario a reduction of Intu Loan LGDs by 35% and derives, ceteris paribus, a rating of A-.

Worst-case scenario: CRA assumes in its worst-case scenario an increase in Intu loan LGDs by 25% and derives, ceteris paribus, a rating of BBB-.

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:

6/20/2023 / 6/20/2023 / 5/29/2027

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:

2/27/2015 / A- /restricted

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 2/10/2015 by AXA REIM SGP to conduct a rating for the bearer notes under Luxembourg law, issued by CRE Loan Debt Issuance S.à r.l., Compartment CRE Senior 9 Issuance. 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" 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 call on 5/25/23. The submitted documents and information provided by the clients 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>

Analysts Matthias Peiss (Lead), Moritz Remmert and Stephan Giebler, all located in Neuss/Germany, carried out this rating. Sascha Pomorin performed the function of Person Approving Credit Ratings (PAC).

Closing of the transaction occurred on 9/16/2018. The rating is based on the portfolio information and transaction documentation as of the rating date and as provided by the client.

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, a rating committee based on the principle of unanimity approves all credit ratings and rating outlooks.

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.

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://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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