

Confidential

EETI Quarterly Review

QUARTER ENDED 30/06/2015

August 2015

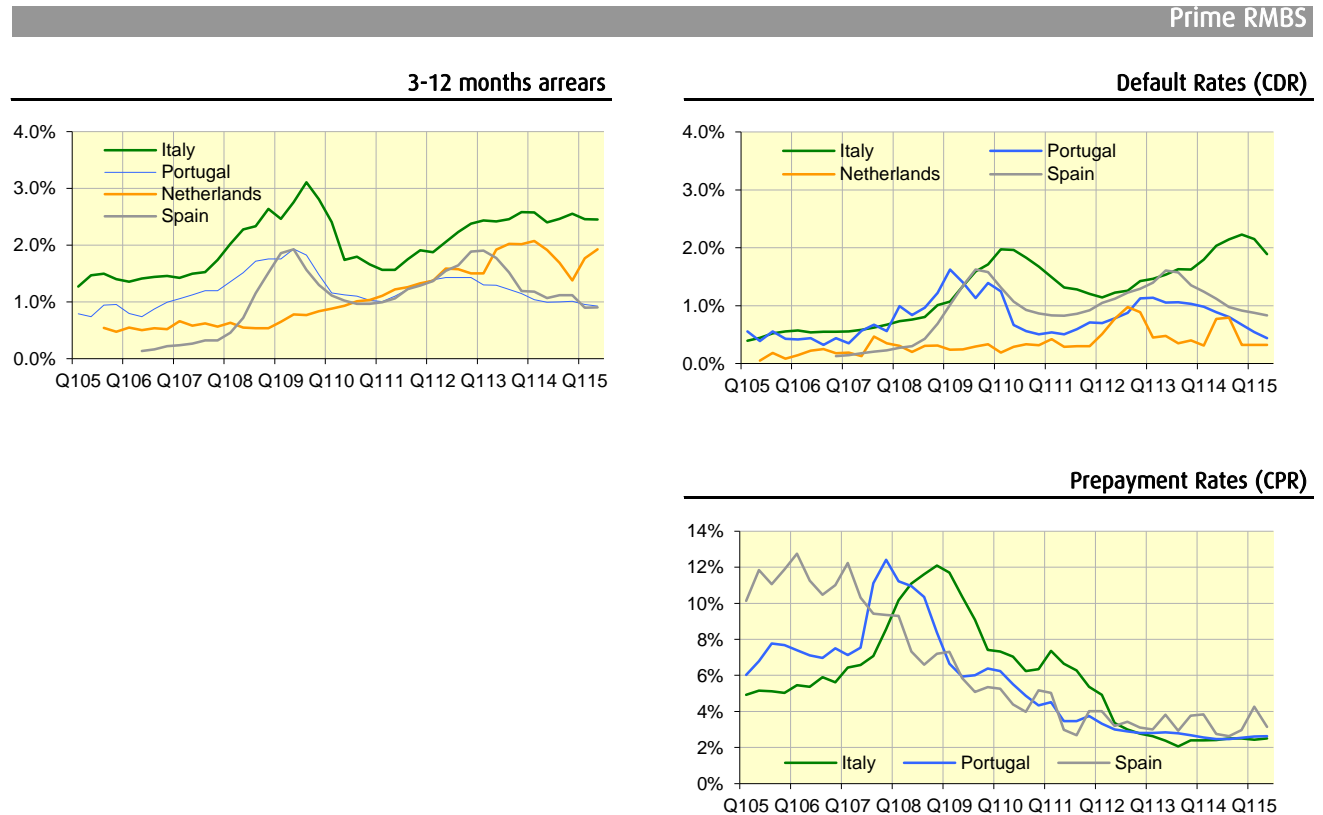
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1 EUROPEAN ABS / RMBS ACTIVITY AND PERFORMANCE

Prime European RMBS performance

- ▶ Arrears and default levels continue their gradual improvement in Spain and Portugal, while stabilization seems to be solid in Italy with default levels decreasing for 2 quarters in a row.
- ▶ Prepayment rates seem to have bottomed just above 2% in Portugal and Italy, and decreased by approx. 100bps to reach 3% in Spain.

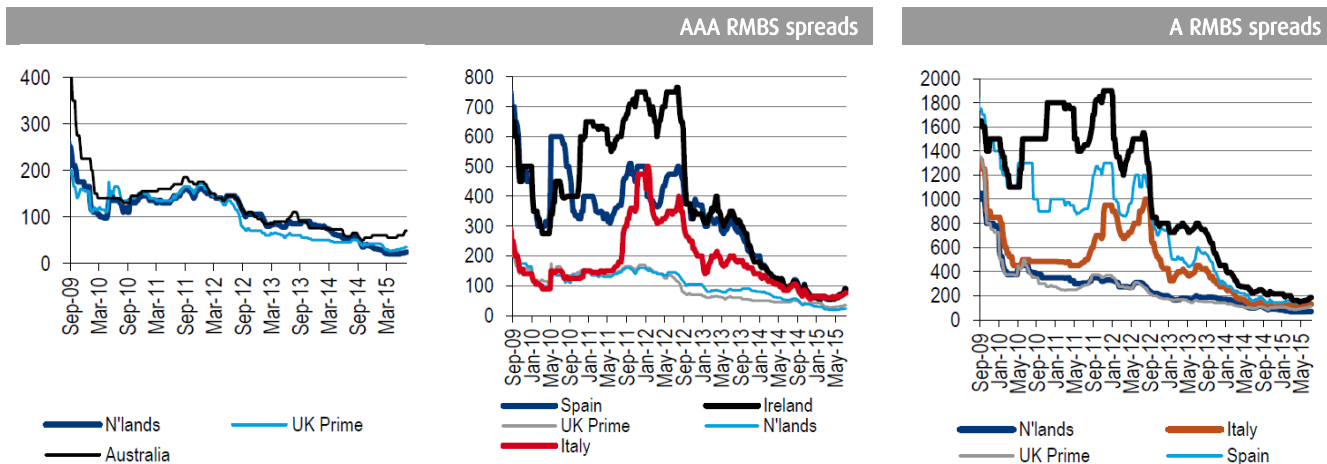


*Note: Indices based on own data collection of a broad sample of seasoned RMBS transactions.
 Source: Trustee reports and Cartesia.*

European ABS / RMBS market activity

- ▶ After a positive Q1 2015 and despite the European quantitative easing which started in March this year, European ABS and fixed income markets in general suffered in June as acute uncertainty on a potential agreement between Greece and its creditors caused a global increase in risk aversion and spread widening on risky assets.
 - Top UK/Dutch AAAs (first pay bonds) are stable and trade around EUR3M + 30bps;
 - Peripheral first pay bonds widened and trade around EUR3M + 90bps (+20bps vs. end of 2014);
 - Mezzanine and subordinated bonds continue to be actively traded, with IRRs increasing as well but very rarely exceeding 6-7% even in distressed situations.

EVOLUTION OF RMBS SPREADS OVER EUR3M



Source: Merrill Lynch BOA for 3-5 year WAL bonds.

2 PORTFOLIO PERFORMANCE

A. Cash Flow

Cash flow receipts for the quarter ended 30/06/2015

- ▶ Quarterly cash flow amounted to EUR 614k, derived primarily from the Ludgate and Lusitano 3 residual positions.

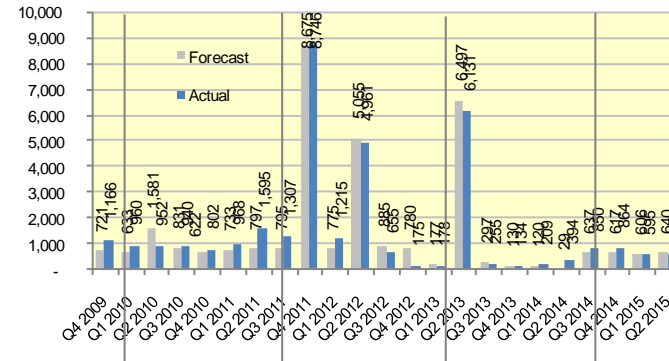
Cash flow receipt for the quarter

(EUR)

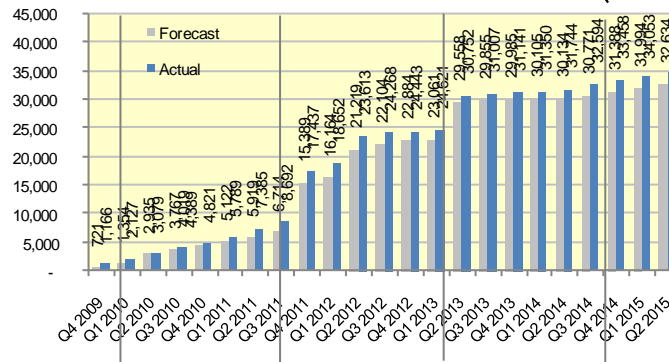
Transactions	Actual	Forecast	Delta
Lusitano 3	110,324	84,642	25,682
Lusitano 5	-	-	-
Pastor 2	3,792	5,125	(1,333)
Pastor 3	-	-	-
Pastor 4	-	-	-
Pastor 5	-	-	-
Sestante 4A1	11,008	13,325	(2,317)
Gems C	9,455	9,375	80
Semper 06G	-	-	-
Minotaure 04	-	-	-
Ludgate 06-1	479,291	527,596	(48,305)
TOTAL	613,870	640,063	(26,193)

Actual vs. forecast since Q4 2009

Quarterly cash flow (EUR 000s)



Cumulative cash flow (EUR 000s)



Forecast cash flow

Forecast cash flow from Q2 2015 onwards

(EUR 000s)

Period	Period CF	Cumulative CF	% Total	Cumulative % Total
Q3-4 2015	1,272	1,272	3.0%	3.0%
2016	2,742	4,014	6.5%	9.5%
2017	4,151	8,165	9.8%	19.4%
2018	7,245	15,411	17.2%	36.5%
2019	12,338	27,748	29.2%	65.8%
2020	3,172	30,920	7.5%	73.3%
2021	4,025	34,944	9.5%	82.8%
2022	687	35,632	1.6%	84.4%
Beyond	6,564	42,196	15.6%	100.0%
TOTAL	42,196		100.0%	

Total forecast cash flow of
EUR 42.2m

Forecast cash flow (cont'd)

(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
HISTORICAL												
Q3 2009	86	-	-	-	59	77	-	25	213	13	891	
Q4 2009	430	-	-	-	34	75	-	19	210	-	1,166	2,057
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
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
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
Q1 2013	7	-	-	-	5	-	11	11	-	7	178	
Q2 2013	-	-	-	-	-	-	13	12	-	14	6,131	
Q3 2013	14	-	-	-	203	-	12	11	-	14	255	
Q4 2013	-	-	-	-	110	-	11	12	-	1	134	6,698
Q1 2014	-	-	-	-	183	-	10	12	-	4	209	
Q2 2014	-	-	-	-	78	-	12	13	-	291	394	
Q3 2014	-	-	-	-	247	-	13	13	-	577	850	
Q4 2014	29	-	-	-	237	-	12	11	-	575	864	2,317
Q1 2015	4	-	-	-	114	-	11	10	-	456	595	
Q2 2015	4	-	-	-	110	-	11	9	-	479	614	1,209
FORECAST												
Sum CF	5,115	-	1,841	-	9,784	8,804	76	5,135	3,210	8,230	42,196	Totals
% Total	12.1%	0.0%	4.4%	0.0%	23.2%	20.9%	0.2%	12.2%	7.6%	19.5%	100.0%	Yearly Cumulative
Q3 2015	1	5	-	-	150	-	13	10	-	480	657	657
Q4 2015	2	5	-	-	118	-	13	10	-	469	615	1,272
Q1 2016	3	6	-	-	158	-	1	10	-	458	633	1,905
Q2 2016	4	6	-	-	175	-	1	10	-	463	655	2,559
Q3 2016	5	6	-	-	262	-	1	10	-	449	727	3,286
Q4 2016	6	6	-	-	277	-	1	10	-	434	728	2,742
Q1 2017	7	6	-	-	260	-	1	10	-	421	698	4,712
Q2 2017	8	6	-	-	272	-	1	282	-	407	969	5,681
Q3 2017	9	6	-	-	262	-	1	571	-	389	1,229	6,910
Q4 2017	10	7	-	-	351	-	1	526	-	371	1,255	4,151
Q1 2018	11	7	-	-	559	-	1	484	-	354	1,405	9,570
Q2 2018	12	7	-	-	557	-	1	445	-	337	1,348	10,918
Q3 2018	13	7	-	-	557	12	1	410	-	314	1,302	12,220
Q4 2018	14	7	-	-	547	1,967	1	377	-	292	3,191	7,245
Q1 2019	15	7	-	-	524	1,134	1	347	-	272	2,284	17,695
Q2 2019	16	7	-	-	1,454	1,457	1	288	-	253	3,460	21,155
Q3 2019	17	7	-	-	103	128	1	331	-	226	797	21,952
Q4 2019	18	5,008	-	-	93	128	1	364	-	203	5,796	12,338
Q1 2020	19	-	-	-	96	128	1	384	-	181	791	28,539
Q2 2020	20	-	-	-	95	126	1	259	-	1,457	1,937	30,477
Q3 2020	21	-	-	-	94	123	1	-	-	-	217	30,694
Q4 2020	22	-	-	-	88	121	18	-	-	-	226	3,172
Q1 2021	23	-	-	-	88	120	10	-	3,210	-	3,429	34,349
Q2 2021	24	-	-	-	87	118	0	-	-	-	205	34,554
Q3 2021	25	-	-	-	86	113	0	-	-	-	200	34,754
Q4 2021	26	-	-	-	78	113	-	-	-	-	191	4,025
Q1 2022	27	-	-	-	81	112	-	-	-	-	193	35,137
Q2 2022	28	-	-	-	79	111	-	-	-	-	189	35,327
Q3 2022	29	-	-	-	79	100	-	-	-	-	179	35,505
Q4 2022	30	-	-	-	71	56	-	-	-	-	126	687
Q1 2023	31	-	-	-	73	55	-	-	-	-	128	35,760
Q2 2023	32	-	-	-	71	54	-	-	-	-	125	35,885
Q3 2023	33	-	-	-	71	50	-	-	-	-	121	36,006
Q4 2023	34	-	1,841	-	64	50	-	-	-	-	1,955	2,329
Q1 2024	35	-	-	-	65	49	-	-	-	-	115	38,075
Q2 2024	36	-	-	-	64	48	-	-	-	-	111	38,187
Q3 2024	37	-	-	-	62	45	-	-	-	-	108	38,294
Q4 2024	38	-	-	-	58	44	-	-	-	-	102	436
Q1 2025	39	-	-	-	58	43	-	-	-	-	101	38,497
Q2 2025	40	-	-	-	56	42	-	-	-	-	98	38,596
Q3 2025	41	-	-	-	56	39	-	-	-	-	95	38,690
Q4 2025	42	-	-	-	1,388	38	-	-	-	-	1,426	1,720
Q1 2026	43	-	-	-	-	38	-	-	-	-	38	40,154
Q2 2026	44	-	-	-	-	37	-	-	-	-	37	40,191
Q3 2026	45	-	-	-	-	34	-	-	-	-	34	40,225
Q4 2026	46	-	-	-	-	33	-	-	-	-	33	141
Q1 2027	47	-	-	-	-	33	-	-	-	-	33	40,290
Q2 2027	48	-	-	-	-	31	-	-	-	-	31	40,322
Q3 2027	49	-	-	-	-	29	-	-	-	-	29	40,351
Q4 2027	50	-	-	-	-	28	-	-	-	-	28	121
Q1 2028	51	-	-	-	-	28	-	-	-	-	28	40,407
Q2 2028	52	-	-	-	-	27	-	-	-	-	27	40,434
Q3 2028	53	-	-	-	-	25	-	-	-	-	25	40,459
Q4 2028	54	-	-	-	-	24	-	-	-	-	24	103
Q1 2029	55	-	-	-	-	1,713	-	-	-	-	1,713	42,196

Net present values at different discount rates

(EUR 000s)

Net present values at different discount rates											
Discount Rate	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Minotaure	Ludgate	Total
6.14%	3,922	-	1,109	-	7,503	6,055	63	4,213	2,278	7,058	31,885
7.42%	3,718	-	1,001	-	7,139	5,649	61	4,050	2,126	6,851	30,467
12.42%	3,037	-	680	-	5,966	4,401	55	3,492	1,636	6,138	25,791
13.50%	2,911	-	627	-	5,756	4,187	53	3,385	1,549	6,001	24,933
15.00%	2,746	-	561	-	5,484	3,915	52	3,245	1,436	5,821	23,816
17.50%	2,496	-	467	-	5,078	3,517	49	3,028	1,269	5,543	22,126
20.00%	2,273	-	390	-	4,721	3,176	47	2,831	1,124	5,289	20,626
Valuation	3,718	-	680	-	7,139	4,401	63	4,213	1,636	6,138	27,989

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
6.14%	1.3x	--	1.7x	--	1.3x	1.5x	1.2x	1.2x	1.4x	1.2x	1.3x
7.42%	1.4x	--	1.8x	--	1.4x	1.6x	1.2x	1.3x	1.5x	1.2x	1.4x
12.42%	1.7x	--	2.7x	--	1.6x	2.0x	1.4x	1.5x	2.0x	1.3x	1.6x
13.50%	1.8x	--	2.9x	--	1.7x	2.1x	1.4x	1.5x	2.1x	1.4x	1.7x
15.00%	1.9x	--	3.3x	--	1.8x	2.2x	1.5x	1.6x	2.2x	1.4x	1.8x
17.50%	2.0x	--	3.9x	--	1.9x	2.5x	1.5x	1.7x	2.5x	1.5x	1.9x
20.00%	2.3x	--	4.7x	--	2.1x	2.8x	1.6x	1.8x	2.9x	1.6x	2.0x
Valuation	1.4x	--	2.7x	--	1.4x	2.0x	1.2x	1.2x	2.0x	1.3x	1.5x

Note: Net present values presented in the above tables marginally differ from accounting book values as their calculation is based on simplified assumptions of end of quarter cash flow receipts and quarterly compounding.

Net present values at different cash flow vs. base case

(EUR 000s)

Net present values at different forecast cash flow

% Actual Cash Flow vs. Base Case	Pastor 2	Pastor 3	Pastor 4	Pastor 5	Lusitano 3	Lusitano 5	Sestante 4	Gems	Minotaure	Ludgate	Total	Delta
170.0%	6,321	-	1,156	-	12,136	7,482	108	7,162	2,782	10,434	47,581	70.0%
165.0%	6,135	-	1,122	-	11,779	7,262	105	6,952	2,700	10,127	46,182	65.0%
160.0%	5,949	-	1,088	-	11,422	7,042	102	6,741	2,618	9,820	44,782	60.0%
155.0%	5,763	-	1,054	-	11,065	6,822	98	6,531	2,536	9,513	43,383	55.0%
150.0%	5,577	-	1,020	-	10,708	6,602	95	6,320	2,454	9,207	41,983	50.0%
145.0%	5,391	-	986	-	10,351	6,382	92	6,109	2,373	8,900	40,584	45.0%
140.0%	5,205	-	952	-	9,994	6,162	89	5,899	2,291	8,593	39,184	40.0%
135.0%	5,020	-	918	-	9,637	5,942	86	5,688	2,209	8,286	37,785	35.0%
130.0%	4,834	-	884	-	9,280	5,722	83	5,477	2,127	7,979	36,386	30.0%
125.0%	4,648	-	850	-	8,923	5,502	79	5,267	2,045	7,672	34,986	25.0%
120.0%	4,462	-	816	-	8,566	5,282	76	5,056	1,963	7,365	33,587	20.0%
115.0%	4,276	-	782	-	8,209	5,062	73	4,845	1,882	7,058	32,187	15.0%
110.0%	4,090	-	748	-	7,853	4,842	70	4,635	1,800	6,751	30,788	10.0%
105.0%	3,904	-	714	-	7,496	4,622	67	4,424	1,718	6,445	29,388	5.0%
100.0%	3,718	-	680	-	7,139	4,401	63	4,213	1,636	6,138	27,989	0.0%
95.0%	3,532	-	646	-	6,782	4,181	60	4,003	1,554	5,831	26,589	-5.0%
90.0%	3,346	-	612	-	6,425	3,961	57	3,792	1,473	5,524	25,190	-10.0%
85.0%	3,160	-	578	-	6,068	3,741	54	3,581	1,391	5,217	23,791	-15.0%
80.0%	2,975	-	544	-	5,711	3,521	51	3,371	1,309	4,910	22,391	-20.0%
75.0%	2,789	-	510	-	5,354	3,301	48	3,160	1,227	4,603	20,992	-25.0%
70.0%	2,603	-	476	-	4,997	3,081	44	2,949	1,145	4,296	19,592	-30.0%
65.0%	2,417	-	442	-	4,640	2,861	41	2,739	1,064	3,990	18,193	-35.0%
60.0%	2,231	-	408	-	4,283	2,641	38	2,528	982	3,683	16,793	-40.0%
55.0%	2,045	-	374	-	3,926	2,421	35	2,317	900	3,376	15,394	-45.0%
50.0%	1,859	-	340	-	3,569	2,201	32	2,107	818	3,069	13,994	-50.0%
45.0%	1,673	-	306	-	3,212	1,981	29	1,896	736	2,762	12,595	-55.0%
40.0%	1,487	-	272	-	2,855	1,761	25	1,685	654	2,455	11,196	-60.0%
35.0%	1,301	-	238	-	2,499	1,541	22	1,475	573	2,148	9,796	-65.0%
30.0%	1,115	-	204	-	2,142	1,320	19	1,264	491	1,841	8,397	-70.0%

Note: The table presents the net present value of each investment at its base case discount rate, assuming an increase/decrease in actual cash flow received vs. base case. Net present values marginally differ from accounting book values as their calculation is based on simplified assumptions of end of quarter cash flow receipts and quarterly compounding.

B. Performance and Valuation

Quarterly performance indicators

Transactions	90d+ arr.		CDR		CPR		Recoveries		Reserve			Cum. loss rate	
	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Act.	Fcast	Min.	Act.	Fcast
Lusitano 3	1.3%	n/a	1.0%	1.3%	2.1%	1.6%	1,002	1,000	7,320	7,320	10,800	n/a	n/a
Lusitano 5	1.3%	n/a	1.0%	1.5%	2.3%	1.2%	1,449	1,600	(7,745)	(7,301)	11,900	n/a	n/a
Pastor 2	0.3%	n/a	0.2%	0.4%	5.2%	4.3%	356	245	5,000	5,000	5,000	n/a	n/a
Pastor 3	1.0%	n/a	2.1%	n/a	4.1%	n/a	689	n/a	(49,667)	n/a	9,000	n/a	n/a
Pastor 4	1.2%	n/a	1.7%	3.0%	4.5%	3.4%	212	700	(37,144)	(37,944)	5,520	n/a	n/a
Pastor 5	2.2%	n/a	2.2%	n/a	4.0%	n/a	477	n/a	(1,429)	n/a	10,500	n/a	n/a
Sestante 4A1	8.6%	n/a	3.0%	n/m	0.9%	n/m	861	n/m	(42,067)	n/a	6,200	n/a	n/a
Gems C	n/a	n/a	0.0%	0.0%	n/a	n/a	n/a	n/a	22,755	22,192	n/a	4.01%	4.06%
Semper 06G	na	na	na	na	na	na	na	na	5,400	5,400	na	-	-
Minotaure 04	na	na	na	na	na	na	na	na	na	na	na	na	na
Ludgate 06-1	n/a	n/a	0.0%	1.0%	7.5%	7.0%	n/a	n/a	1,149	1,149	1,149	n/a	n/a

Notes: Negative reserve indicates unpaid amounts to the senior notes (unpaid PDLs). Reserve amounts are highlighted in red when negative or below minimum, even if better than forecast. Ludgate reserve is expressed in pounds.

EETI also holds the Class D residual position of the Sestante 4 transaction.

Transactions are overall performing slightly better than anticipated, although recoveries, notably in Spain remain disappointing

Revised valuation assumptions (24-month averages)

- Changes in credit assumptions are limited this quarter and IRRs have been tightened by a further 20 bps, in line with the prevailing methodology.

SUMMARY OF MAIN VALUATION INPUTS

Positions	CDR											CPR										Loss Severity											
	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Lusitano 3	0.90%	1.04%	1.20%	1.22%	1.35%	1.39%	1.39%	1.38%	1.28%	1.16%	1.03%	2.50%	2.25%	1.90%	1.80%	1.70%	1.68%	1.58%	1.56%	1.59%	1.68%	1.70%	20%	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%	1.43%	1.33%	2.20%	2.00%	1.80%	1.60%	1.50%	1.36%	1.27%	1.24%	1.23%	1.32%	1.44%	20%	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%	0.51%	0.45%	5.10%	4.90%	4.60%	4.60%	4.60%	4.40%	4.31%	3.97%	4.05%	3.94%	3.94%	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%
Pastor 3	2.40%	2.73%	2.91%	3.37%	3.93%	4.11%	4.02%	3.75%	3.61%	3.64%	3.40%	3.10%	2.90%	3.10%	3.00%	3.00%	3.00%	3.21%	3.09%	3.15%	3.26%	3.24%	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%
Pastor 4	2.20%	2.33%	2.46%	2.58%	3.06%	3.10%	2.97%	3.10%	2.98%	2.75%	2.54%	3.20%	3.00%	3.00%	2.90%	3.00%	3.10%	3.25%	3.17%	3.39%	3.54%	3.67%	20%	20%	20%	20%	20%	20%	30%	30%	30%	30%	30%
Pastor 5	2.00%	2.14%	1.90%	2.12%	3.07%	3.31%	3.50%	3.63%	3.41%	3.50%	3.54%	3.30%	2.90%	2.90%	2.80%	2.80%	2.80%	2.86%	2.83%	3.06%	2.97%	3.18%	20%	20%	20%	20%	20%	20%	30%	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%	0.00%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	95%	95%	95%	92%	95%	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%	0.24%	0.24%	4.58%	4.56%	4.27%	4.07%	4.16%	4.20%	4.30%	4.15%	4.22%	4.29%	4.64%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Sestante 4 A1																																	
Ludgate							1.00%	1.00%	1.00%	1.00%	1.00%							5.00%	5.20%	5.72%	5.97%	6.33%							30%	30%	30%	30%	30%

Revised valuation assumptions (24-month averages) (cont'd)

SUMMARY OF MAIN VALUATION INPUTS

Positions	Recovery Lag											Discount Rate										
	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Lusitano 3	10	10	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%	7.64%	7.42%
Lusitano 5	10	10	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%	12.64%	12.42%
Pastor 2	10	10	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%	7.64%	7.42%
Pastor 3	10	10	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%	12.64%	12.42%
Pastor 4	10	10	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%	12.64%	12.42%
Pastor 5	10	10	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%	12.64%	12.42%
Gems	nm	nm	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%	6.14%	6.14%
Minotaure	nm	nm	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%	12.64%	12.42%
Sestante 4 A1												8.50%	8.40%	8.28%	7.98%	7.50%	7.27%	6.99%	6.61%	6.37%	6.14%	6.14%
Ludgate							4	4	4	4	4							13.49%	13.11%	12.87%	12.64%	12.42%

Quarterly valuation

- ▶ Quarter-end book value amounts to EUR 27,994k excluding accruals, after a combined revaluation of EUR 1,084k. The markdowns / revaluations mainly affect the following positions:
 - The Lusitano 3 transaction, revalued by EUR 425k, due to the improvement in credit performance and assumptions;
 - The Gems transaction, revalued by EUR 321k, due to the upcoming acceleration of principal amortization.

Transactions are overall performing slightly better than anticipated, although recoveries, notably in Spain, remain disappointing

QUARTERLY BOOK VALUES AND REVALUATIONS

(EUR 000s)	30/06/2014		30/09/2014		31/12/2014		31/03/2015		30/06/2015	
	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation	Book Value	(Markdown)/ Revaluation
Lusitano 3	6,129	317	6,338	331	6,678	452	6,701	9	7,139	425
Lusitano 5	3,244	224	3,796	448	4,198	282	4,164	(164)	4,402	114
Pastor 2	3,393	45	3,526	62	3,600	34	3,698	35	3,719	(45)
Pastor 3	0	0	0	0	0	0	0	0	0	0
Pastor 4	333	(2,067)	389	45	665	264	494	(192)	680	171
Pastor 5	0	(441)	0	0	0	0	0	0	0	0
Semper			0	0			0	0	0	0
Gems	3,577	(1,148)	3,648	22	3,716	21	3,844	80	4,214	321
Minotaure	1,308	22	1,338	(13)	1,506	127	1,570	19	1,637	18
Sestante 4 A1	123	6	105	(7)	85	(10)	76	1	66	0
Ludgate	6,590	6,590	6,507	281	6,266	132	6,345	345	6,139	80
TOTAL	24,697	3,548	25,647	1,169	26,715	1,300	26,892	132	27,994	1,084

Note: EETI also holds the Class D residual position of the Sestante 4 transaction.

Pastor investments

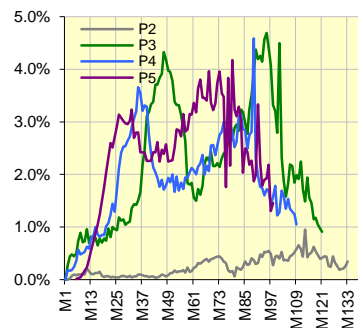
PERFORMANCE

- ▶ 90-day+ arrears have continued to decrease by approx. 0.2% and stand at 1.0%, 1.2% and 1.8% for Pastor 3, 4 and 5 respectively at the end of the quarter.
- ▶ This has translated into a substantial decrease in default rates to 1.7-2.2% vs. 2.0-2.6% during the 1st quarter and 3.4-4.8% a year ago; these levels are however still very elevated in relation to excess spread of 0.40% p.a.
- ▶ Recoveries on defaulted loans are still relatively low but have increased in all Pastor transactions last quarter, with recoveries ranging from EUR 200k to EUR 700k for Pastor 2, 3, 4 and 5, vs. EUR 100k to 250k during the 1st quarter and EUR 1.0m per quarter in average in 2014.
- ▶ Reserve fund of the Pastor 2 position is now undrawn and the position is currently cash-flowing.

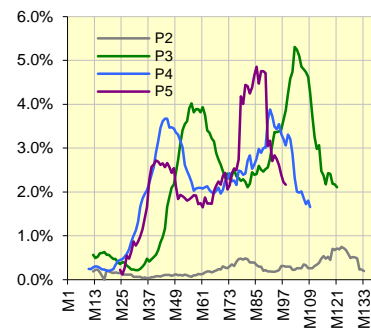
VALUATION

- ▶ Despite a slight deterioration in its negative reserve, the improvement of credit performance and assumptions on Pastor 4 lead to a revaluation of EUR 171k. Pastor 2 position was marked down by EUR 45k.

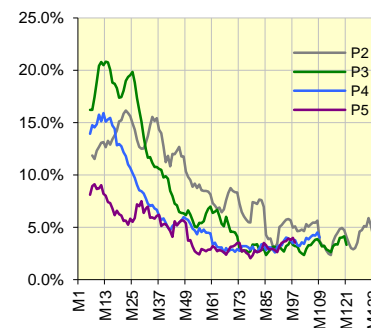
90d+ arrears (excl. defaults, as % CB)



12M average default rates (CDR as % CB)



6M average CPR



Note: Graphs expressed in months since issue.

Lusitano investments

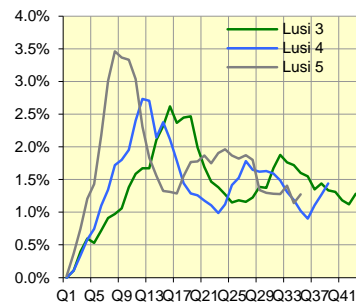
PERFORMANCE

- ▶ 90d+ arrears continued to improve marginally for Lusitano 3 (1.12% vs. 1.18% last quarter) and 5 (1.14% vs. 1.41% last quarter) deals. Default rates improved marginally as well for both deals and stand below 1% for Lusitano 3 (0.84% vs. 0.88% last quarter) and just above 1% for Lusitano 5 (1.06% vs. 1.24% last quarter).
- ▶ The Lusitano 3 residual received EUR 114k vs. an expected EUR 64k, due to lower defaults than forecast and substantial recoveries exceeding EUR 1m for 6 consecutive quarters.
- ▶ Recoveries of defaulted mortgage loans were slightly lower than expected, notably those allocated to the interest waterfall, increasing the negative reserve position of the Lusitano 5 transaction.

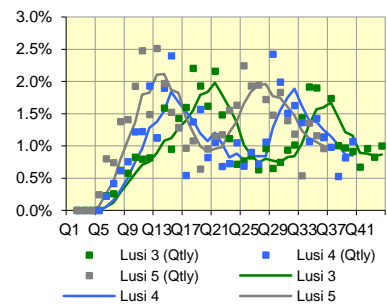
VALUATION

- ▶ The reduction in discount rate and improving credit performance and assumptions lead to a EUR 425k revaluation on the Lusitano 3 position, and to a EUR 114k revaluation on the Lusitano 5 position.

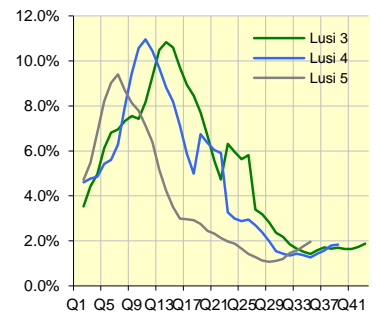
90d+ arrears (excl. defaults, as % CB)



Quarterly and average defaults (as % CB)



12M average CPR



Note: Graphs expressed in months since issue.

Ludgate

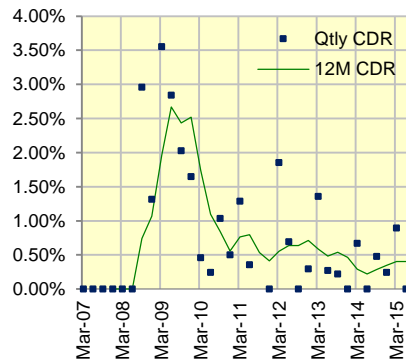
PERFORMANCE

- ▶ The Ludgate position generated a quarterly cash flow of EUR 456k vs. EUR 508k forecast.
- ▶ The credit performance of the position remains satisfactory with a total redemption rate of approx. 7% and a 0% quarterly default rate. The underlying interest rate exposure (BBR vs. Libor) has remained neutral.

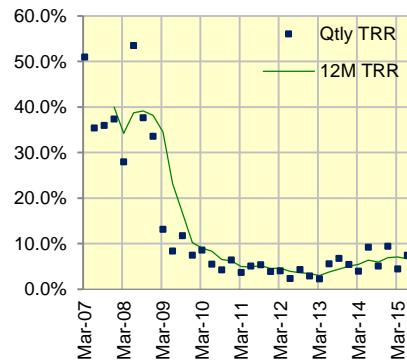
VALUATION

- ▶ The substantial amortization of the position this quarter and a reduction in the discount rate leads to a revaluation of EUR 80k.

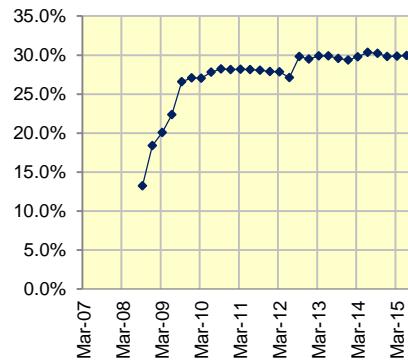
Quarterly and 12M default rate (CDR)



Quarterly total redemption rate (TRR)



Cumulative loss severity



Note: Graphs expressed in months since issue.

Other EETI investments

Gems

- ▶ Improving credit performance and acceleration in principal amortization lead to a substantial revaluation of EUR 321k.

Minotaure

- ▶ Stable credit performance; tightening of discount rate leads to a revaluation of EUR 18k.

Sestante Class A1

- ▶ In line with base case; no revaluation or markdown.

3 PROVISIONAL ACCOUNTING ITEMS

Accounting items for the quarter ended 30/06/2015

EETI QUARTERLY VALUATION REPORT AS AT 30/06/2015

From:	01/04/2015
To:	30/06/2015

All figures in Euros thousands

Investments	Payment date	CF receipts and breakdown			Accounting items			Valuation excl. accruals		Valuation incl. accruals		
		Actual CF received	of which: Interest	of which: Principal	Income (ex-accruals)	Capitalised interest	Accruals to report date	(Write-down) / Revaluation	Valuation	(Write-down) / Revaluation	Valuation	% Total
Lusitano 3	16/04/2015	110	110	-	123	12	131	425	7,139	425	7,270	25.5%
Lusitano 5	15/04/2015	-	-	-	124	124	125	114	4,402	114	4,526	15.7% 41.2%
Pastor 2	22/06/2015	4	4	-	69	65	8	(45)	3,719	(45)	3,727	13.3%
Pastor 3	22/06/2015	-	-	-	0	0	0	0	0	0	0	0.0%
Pastor 4	22/06/2015	-	-	-	15	15	2	171	680	171	682	2.4%
Pastor 5	22/06/2015	-	-	-	0	0	0	0	-	0	0	0.0% 15.7%
Gems	02/06/2015	9	9	-	58	49	24	321	4,214	321	4,238	15.1%
Minotaure	22/06/2015	-	-	-	48	48	3	18	1,637	18	1,639	5.8% 20.9%
Ludgate	07/06/2015	479	193	286	193	0	36	80	6,139	80	6,175	21.9% 21.9%
Sestante 4 A1	16/04/2015	11	1	10	1	0	1	0	66	0	67	0.2% 0.2%
Total		614	318	296	631	314	330	1,084	27,994	1,084	28,325	100.0% 100.0%

ACCOUNTING INCOME	
Actual cash flow received in Q	614
Plus: Capitalised interest	314
Less: Amortisation of principal	(296)
Income excl. accruals	631
<i>check</i>	<i>0.0</i>
Less: Previous Q accruals	(414)
Plus: Current Q accruals	330
Income incl. accruals	547

WRITE-DOWNS / REVALUATIONS	
Sum of write-downs excl. accruals	(45)
Sum of revaluations excl. accruals	1,129
Total excl. accruals	1,084
<i>check</i>	<i>0.0</i>
Sum of accruals included in write-downs	0
Sum of accruals included in revaluations	0
Total incl. accruals	1,084
<i>check</i>	<i>0.0</i>

VALUATION RECAP	
Valuation excl. accruals	27,994
Valuation incl. accruals	28,325
<i>check</i>	<i>0.0</i>
Last Q valuation excl. accruals	26,892
Plus: Capitalised interest	314
Less: Amortisation of principal	(296)
Sum write-downs / reval. excl. accruals	1,084
Plus: Purchased in Q	
Current Q excl. accruals	27,994
<i>check</i>	<i>0.0</i>

Note: EETI also holds the Class D residual position of the Sestante 4 transaction, which is written off.