

Presale:

Berg Finance 2021 DAC

April 27, 2021

Preliminary Ratings

| Class | Prelim. rating* | Prelim. amount (mil. €) | S&P Global Ratings' loan-to-value ratio (%) | Market value decline (%)§ | Debt yield (%)† | Interest‡ | Legal final maturity |
|-------|-----------------|-------------------------|---|---------------------------|-----------------|-----------------------------------|----------------------|
| A | AAA (sf) | 160.0** | 46.8 | 67.8 | 17.5 | Three-month EURIBOR plus a margin | April 22, 2033 |
| B | AA- (sf) | 43.4 | 60.4 | 58.3 | 13.5 | Three-month EURIBOR plus a margin | April 22, 2033 |
| C | A- (sf) | 29.4 | 69.6 | 52.0 | 11.7 | Three-month EURIBOR plus a margin | April 22, 2033 |
| D | BBB- (sf) | 36.5 | 81.1 | 44.1 | 10.1 | Three-month EURIBOR plus a margin | April 22, 2033 |
| E | BB- (sf) | 26.0 | 89.3 | 38.4 | 9.1 | Three-month EURIBOR plus a margin | April 22, 2033 |
| X1 | NR | N/A | N/A | N/A | N/A | N/A | N/A |
| X2 | NR | N/A | N/A | N/A | N/A | N/A | N/A |

*This presale report is based on information as of April 27, 2021. The ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. Our ratings address timely payment of interest and payment of principal not later than the legal final maturity. §Reflects the approximate decline in the €485.9 million market value of the portfolio that would be necessary to experience a principal loss at the given rating level. †Based on S&P Global Ratings' NCF and the total mortgage balance. ‡After the expected maturity date, the amount of interest representing the amount by which three-month EURIBOR exceeds 5% per year will be subordinated to the payment of interest and principal on the notes. **Includes €11.2 million to fund the issuer liquidity reserve. NR--Not rated. N/A--Not applicable. NCF--Net cash flow. EURIBOR--Euro Interbank Offered Rate.

PRIMARY CREDIT ANALYST

Mathias Herzog
Frankfurt
+ 49 693 399 9112
mathias.herzog
@spglobal.com

SECONDARY CONTACTS

Edward C Twort
London
+ 44 20 7176 3992
edward.twort
@spglobal.com

Carenn K Chu
London
+ 44 20 7176 3854
carenn.chu
@spglobal.com

Transaction Participants

| | |
|--|---------------------------------------|
| Arranger and lead manager | Goldman Sachs International |
| Loan seller | Goldman Sachs Europe SE |
| Primary servicer, special servicer, and facility agent | Mount Street Mortgage Servicing Ltd. |
| Cash manager | U.S. Bank Global Corporate Trust Ltd. |

Transaction Participants (cont.)

| | |
|--|-------------------------------|
| Account bank, agent bank, and principal paying agent | Elavon Financial Services DAC |
| Note trustee and issuer security trustee | U.S. Bank Trustees Ltd. |
| Hedge provider | To be confirmed |

Supporting Ratings

| Institution/role | Ratings |
|--|-----------------|
| Elavon Financial Services DAC, as issuer account bank provider | AA-/Stable/A-1+ |
| Hedge provider | To be confirmed |

Transaction Key Features

| | |
|---|--|
| Expected closing date | To be confirmed |
| Number of loans | 2 |
| Outstanding principal (mil. €) | 299.1 including 22.5 undrawn |
| LTV ratio (%) | 61.6 |
| Asset type concentration (by market value) | Office (98%) and light industrial (2%) |
| Number of properties | 29 |
| Geographic concentration of assets by market value | The Netherlands (41%), Austria (23%), France (21%), Finland (8%), and Germany (7%) |
| Market value weighted-average occupancy rate by lettable area (%) | 85.1 |
| Cut-off debt service coverage ratio at hedged rate | 1.9 |
| Redemption profile | Principal recoveries are applied pro rata. After a note acceleration or sequential payment trigger, the relevant funds are applied sequentially. |
| Interest limitation of junior notes | Available funds cap on the class D and E notes |
| Liquidity reserve (mil. €) | €11.8 million |
| Hedging profile | Both loans will be hedged through borrower-level interest-rate caps |

*LTV--Loan-to-value, based on market value.

Transaction Summary

S&P Global Ratings has assigned preliminary credit ratings to Berg Finance 2021 DAC's class A to E notes. At closing, Berg Finance 2021 will also issue unrated class X1 and X2 certificates (the class X certificates).

The transaction will be a securitization of two loans originated between March 2021 and April 2021 by Goldman Sachs Bank Europe SE (Goldman Sachs) to facilitate the refinancing of commercial real estate.

The Big Mountain loan has a balance of €148.3 million, of which €22.5 remains undrawn and represents the unutilized commitment that will fund the issuer reserve account to fund additional

drawings by the Big Mountain borrower for amounts payable to the vendor for the acquisition of the properties. The loan is secured by 25 predominantly office properties in France and the Netherlands.

The balance on the Sirocco loan is €150.8 million. It is secured by four office buildings located in Austria, the Netherlands, Finland, and Germany.

As part of EU, U.K., and U.S. risk retention requirements, the issuer and the issuer lender (Goldman Sachs), will enter into a €15.5 million (representing 5% of the aggregate principal amount of the notes and the issuer loan) issuer loan agreement. The issuer lender will advance the issuer loan to the issuer on the closing date. The issuer will apply the issuer loan proceeds as partial consideration for the purchase of the Big Mountain and Sirocco loans.

Berg Finance 2021 will also issue an additional €11.2 million of class A notes, the proceeds of which, together with a portion (€590,000) of the issuer loan, will be held in cash in the transaction account. These funds will serve as a liquidity reserve in lieu of a traditional liquidity facility. The total note issuance is therefore larger than the outstanding loan balance.

Our preliminary ratings on the notes reflect our assessment of the underlying loans' credit, cash flow, and legal characteristics, and an analysis of the transaction's counterparty and operational risks.

Strengths, Concerns, And Mitigating Factors

| Strengths | Concerns and mitigating factors |
|-----------|---------------------------------|
|-----------|---------------------------------|

- The underlying assets securing the two loans are spread across five European countries with the highest concentration (41%) located in the Randstad region of the Netherlands, which is generally characterized by higher barriers to entry and lower vacancy rates, when compared with more regional submarkets in the Netherlands.
- The tenant base is diverse and provides a granular income stream with no single tenant representing more than 6.3% of income for both loans. Idiosyncratic factors affecting a particular industry, tenant, or region are therefore limited.
- Both loans are moderately leveraged at 59.7% (Big Mountain) and 63.5% (Sirocco). The Sirocco loan includes scheduled amortization, reducing the refinancing risk at loan maturity.
- The loans benefit from covenants triggering a cash trap event upon breach of certain debt yield and loan-to-value (LTV) thresholds throughout the loan's term.
- Both loans have a relatively strong S&P Global Ratings interest coverage ratio (ICR) of 3.4x (Big Mountain) and 2.1x (Sirocco) based on year 1 debt service, and 2.3x (Big Mountain) and 1.4x (Sirocco) based on the expected capped interest rates. Nevertheless, the prevailing low interest rate environment influences this ICR, and any increase in interest rates could affect the loans' ability to refinance at maturity.
- The transaction is structured with a liquidity reserve, which is funded out of the class A note issuance and a portion of the issuer loan. The liquidity reserve works similarly to a traditional liquidity facility, except that a liquidity facility would have to be extended annually. In addition, under a liquidity reserve, the issuer is not exposed to the counterparty risk associated with a liquidity provider, including its willingness and ability to maintain the facility and make drawings available. Instead, the counterparty risk will sit with the transaction account bank, where the issuer will deposit the reserve. However, the issuer will not need to make a request for a drawing. It can just use the funds as and when needed under the transaction documents.
- The loan sponsors and asset managers are experienced investors and managers in their respective markets and have recognized track records.
- In our view, the transaction's seven-year tail period would be sufficient for the ranked special servicer to manage a real estate work-out process.
- Although the loans are backed by multiple properties, there is high concentration in offices for which occupational demand from office tenants is uncertain given the trend toward flexible working as a result of COVID-19. However, this is mitigated by the fact that for the two loans, there is a relatively diverse tenancy mix of 294 tenants, with the largest tenant representing 6.3% of total rent and the top 5 tenants representing 20%. Additionally, although there may be more flexible working as a result of the pandemic, many occupiers may still be needing additional space to allow for social distancing measures.
- The weighted-average lease term (WALT)-to-break for the Big Mountain loan is 2.6 years (2.3 years for the French assets and 2.9 years for the Dutch assets), compared to a fully extended loan term of four years. Maintaining the current level of occupancy and cash flow relies heavily on the asset managers' capacity. However, the asset managers are experienced in the subject markets. Moreover, the short average lease term for the French assets is largely due to market conventions and reflected in our cap rates. In addition, we have reflected these risks in our vacancy and rental assumptions.
- For the Big Mountain loan, two of the Dutch obligors (Mountain Grove Management B.V. and Mountain Grove Realty B.V.) employ 11 employees, and one French obligor, Mountain Grove Bureaux Sarl, has five employees associated with the WTC Les Crete property, which could result in a post-insolvency workout that is more complicated than if it had no employees. However, on day 1, there are letters of credit (LOCs) totaling €7.2 million, which covers four years of 2020 annual employee cost through 2025, one year after the extended loan maturity. In the case of borrower insolvency, only the claims of the French employees will rank senior to secured creditors, and not in the case of the Dutch employees. In our credit analysis, we have also deducted the estimated French employee costs from our recovery proceeds for the WTC Les Crete property.
- For the Dutch assets, in a borrower insolvency scenario, the issuer will not have access to the property cash flow. This risk is mitigated by the fact that the common security agent can enforce its right of mortgage over the properties and sell the assets to a new owner, subject to a potential four-month moratorium period. The lease contracts will automatically be transferred to the properties' new owner, and the period in which no interest may be paid is limited to the period between the borrower bankruptcy and the point at which the assets are sold or transferred to the new owner. The liquidity reserve is available to cover this period of suspended payments.
- The Big Mountain loan is partially (40% by allocated loan amount) exposed to French insolvency legislation, and in particular French safeguard or reorganization proceedings, under

which the loan term could be materially extended if the court imposes a business continuation plan and reschedules the debt under the borrower-friendly protections provided by the legislation. The risks of safeguard and reorganization proceedings are largely mitigated by the French obligor group holding structure (which includes two Dutch holdcos) and related security package (including golden share), which is expected to enable secured creditors to exercise rights in order to control or influence the management of affected obligors in the event of French insolvency.

- At closing, the Finnish rent collection accounts for the Sirocco loan will not be subject to perfected security, at least until a loan event of default occurs. Therefore, any amounts sitting in these accounts at the time of insolvency of the relevant obligor are at significant risk of being lost in insolvency, if the insolvency were to occur within three months of a loan event of default. However, proceeds from the rent accounts are swept once per month to the debt service account, which reduces the at-risk rental exposure. While our analysis considers this risk, given the relative size of this property in the Sirocco loan, we believe that any effect on debt service and/or recoveries would be minimal.
- The loans bear interest at a floating rate indexed to three-month Euro Interbank Offered Rate (EURIBOR). Increases in EURIBOR will increase the amount of interest payable on the loans, decreasing the loans' debt service coverage ratio (DSCR). Each loan will be structured with an interest rate cap agreement that allows the counterparty to support ratings up to 'AAA' based on our counterparty criteria.
- Although the transaction benefits from a liquidity reserve, this will only be available to cover interest shortfalls on the class A through D notes. Any shortfalls on the class E notes (other than shortfalls, which are covered under the available funds cap) would not be paid out of the available liquidity support. Instead, the interest would be deferred. We have stressed the S&P net cash flow (NCF), interest rates, and senior expenses to a level commensurate with the preliminary rating on the class E notes and found that there would still be sufficient funds to make full interest payments.
- Prior to loan default, all note principal, except for the note share of any issuer liquidity reserve excess amounts (if any), is repaid pro rata, exposing noteholders to adverse selection and rising concentration risk. The available credit enhancement for each senior class of notes will not increase as the loan amortizes or prepays, as it would in a fully sequential amortization structure. This risk is mitigated by release prices, which is the higher of 115% of the allocated loan amount (ALA) and 73% of disposal proceeds for the Big Mountain loan, and the higher of 65% of disposal proceeds and 119.35% (or 110% for the Austrian property) of ALA for the Sirocco loan.

Furthermore, we have also reviewed various scenarios in which the less risky loan prepays first, leaving only the riskier loan in the pool. We then adjusted our recovery proceeds accordingly.

- The transaction documents include provisions for the transaction parties to seek rating agency confirmation (RAC) that certain actions will not result in a downgrade or withdrawal of the then-current ratings on the securities. The transaction documents' definition of RAC allows the transaction parties to deem their confirmation request satisfied if the rating agency does not respond to the request within a certain period after delivery or if the rating agency declines to review the matter for which confirmation is being sought. Thus, we could downgrade the securities according to our ratings methodology following an action subject to a RAC request, even though the RAC request has been satisfied under the transaction documentation.

Transaction Characteristics

Legal structure

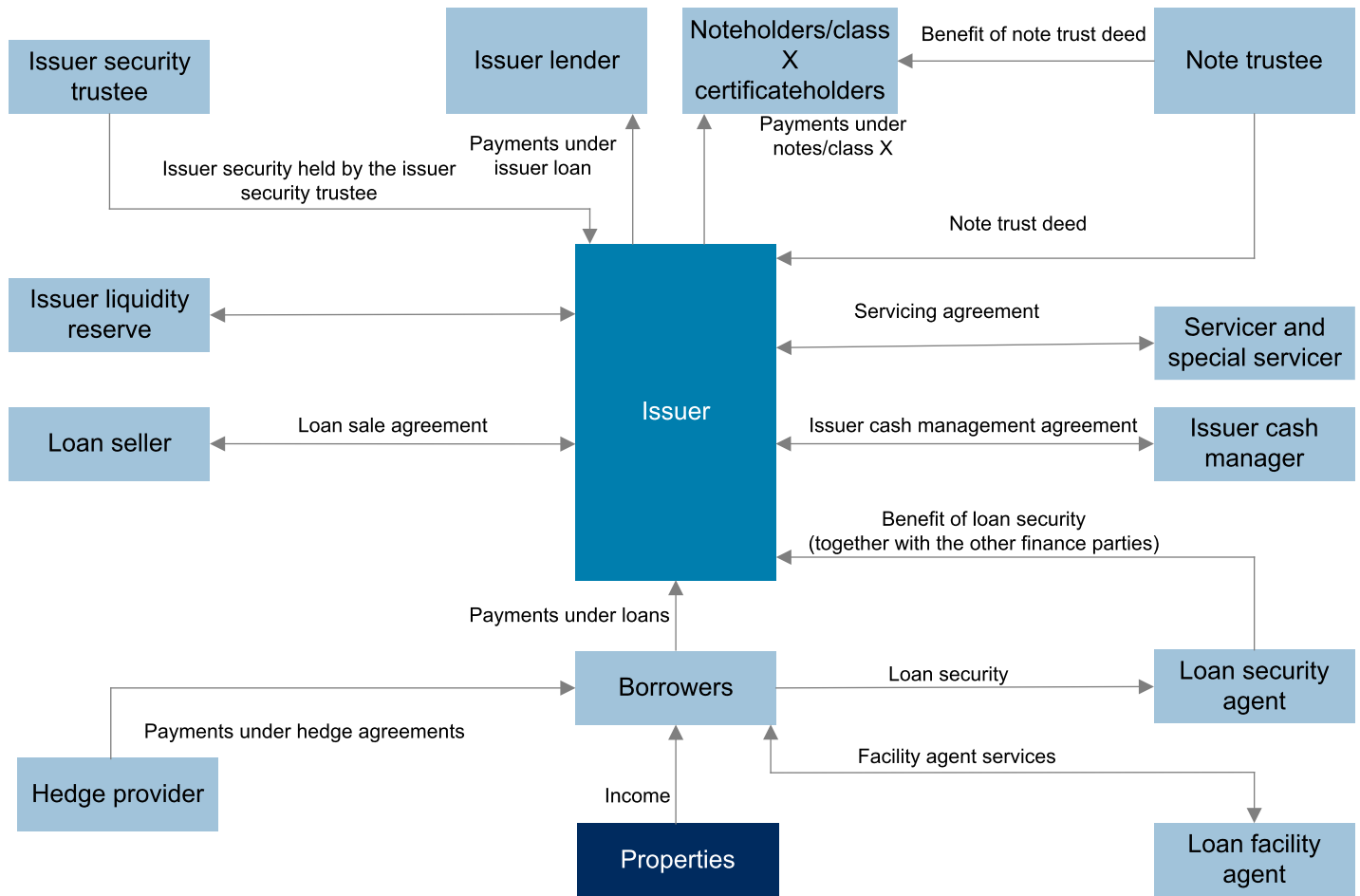
At closing, the issuer will acquire 100% of each loan from Goldman Sachs. To satisfy risk retention rules, Goldman Sachs will also issue a loan to the issuer that represents at least 5% of the overall net economic interest in the transaction.

The issuer will benefit from each loan's security package. For the Big Mountain loan, this includes:

- Security over the shares in each obligor;
- Mortgage over the properties;
- Security over leases and rental income; and
- Security over bank accounts, insurance policies, and hedging agreements

For the Sirocco loan, this includes mortgage security over the property (including German land charges), pledges of the rental income, insurance proceeds, bank accounts, and hedging agreements.

Berg Finance 2021 DAC



Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

Loan pool characteristics

Goldman Sachs originated these two loans between March 2021 and April 2021. The two loans are broadly similar in size with the Big Mountain loan equating to 49.6% of the pool by loan balance, while the Sirocco loan equates to 50.4% of the pool.

Goldman Sachs arranged and underwrote the Big Mountain loan, which facilitated the refinancing of a portfolio of 26 predominantly office properties situated in the Netherlands and France. The loan matures in April 2023 (with two one-year extension options, both subject to the satisfaction of certain conditions) and has a loan balance of €148.3 million, of which €22.5 million is undrawn, indicating an LTV ratio of 59.7%.

Goldman Sachs also arranged and underwrote the Sirocco loan to facilitate the refinancing of a portfolio of four office properties located in Austria, Finland, Germany, and the Netherlands. The loan matures in April 2024 (with two one-year extension options, both subject to the satisfaction

of certain characteristics) and has a cut-off loan balance of €150.8 million, indicating an LTV ratio of 63.5%.

Both loans include structural features such as hedging, cash trap covenants, and loan event of default covenants. The Sirocco loan includes scheduled amortization. Details of these loan characteristics are provided below:

Table 1

Key Senior Loan Characteristics

| | Big Mountain Loan | Sirocco Loan |
|--|--|--|
| Property type by market value | Office (97%) and light industrial(3%) | Office (100%) |
| Number of properties | 25 | 4 |
| Property location by market value | The Netherlands (59%) and France (41%) | Austria (47%), The Netherlands (22%), Finland (16%), and Germany (16%) |
| Loan amount (mil. €) | 148.3 including 22.5 undrawn | 150.8 |
| Percentage of the portfolio's market value (%) | 51.1 | 48.9 |
| Scheduled loan balance at maturity (mil. €) | 148.3 | 147.1 (assuming an April 2024 maturity date), or 142.71 (assuming an April 2025 or April 2026 maturity date) |
| Loan maturity | April 2023 (plus two one-year extension options) | April 2024 (plus two one-year extension options) |
| Loan type | Refinance | Refinance |
| Fixed/floating interest | Floating: three-month EURIBOR plus 3.13%, increasing to 3.38% starting in April 2023 | Floating: three-month EURIBOR plus 3.75% |
| Amortization | None | Months 0-18: NilMonths 19-24: 0.25% of outstanding loan amount on each IPDMonths 25-36: 0.50% of outstanding loan amount on each IPDMonths 37-48: 0.75% of outstanding loan amount on each quarterly IPD |
| Cash trap covenants | Year 1: <7.2% debt yield or >77.5% LTV; Year 2: <8.5% debt yield or >75.0% LTV; Year 3 <9.0% debt yield or >65.0 LTV%; Year 4 <9.0% debt yield or >40.0% LTV | At any loan payment date:<6.75% debt yield and/or >70.99% LTV |
| Event of default covenants | Year 1: <6.2% debt yield or >82.5% LTV; Year 2: <7.5% debt yield or >80.0% LTV; Year 3 <8.0% debt yield or >70.0 LTV%; Year 4 <8.0% debt yield or >60.0% LTV | At any loan payment date: <5.81% debt yield and/or>80.99% LTV |
| Borrower hedge counterparty | Will be fully hedged through borrower-level interest rate cap at a strike rate of up to 1.50% | Will be fully hedged through borrower-level interest rate cap at a strike rate of up to 1.75% |
| Market value (mil. €) | 248.4 | 237.5 |
| Initial LTV ratio at securitization close (%) | 59.7 | 63.5 |
| Exit LTV ratio (%)at initial maturity | 59.7 | 61.9 |

Table 1

Key Senior Loan Characteristics (cont.)

| | Big Mountain Loan | Sirocco Loan |
|---|--|--|
| Gross estimated rental value (mil. €) | 20.0 | 16.5 |
| Market value weighted-average occupancy rate by lettable area (%) | 87.1 | 81.3 (in-place or 83.1 including pre-lets) |
| Passing gross rent (mil. €) | 19.1 | 12.8 (in-place or 13.2 including pre-lets) |
| Net operating income (mil. €) | 17.5 | 11.61 |
| Number of tenants | 238 | 56 |
| Weighted-average unexpired term to first break (years) | 2.6 | 4.0 |
| Cut-off date debt service coverage ratio at hedged rate (x) | 2.6 | 1.4 |
| Major tenants | Atos Nederland B.V., Amadeus, Orange S.A., Van Benthem & Keulen B.V. | Ontwikkelingsbedrijf Rotterdam, DI Deutsche Ingenico Holding GmbH, Palmia Oy, Gas Connect Austria GmbH |
| Sponsor | Fortress Investment Group | Ares European Real Estate Fund V |

LTV--Loan-to-value, based on market value. EURIBOR--Euro Interbank Offered Rate. IPD--Interest payment date.

Sponsor and manager overview

Fortress Investment Group sponsors the Big Mountain loan. Fortress is a global real estate investor that has raised \$9.0 billion in commitments across seven U.S., European, and Japanese real estate funds since 2009. Since 2012, it has European investments in excess of \$1.7 billion of equity across more than 31 individual European transactions. The sponsor has invested in 74 assets across the Netherlands since 2013 with a total area of 565,000 square meters. In France, over the past five years, the sponsor has acquired 28 assets totaling 272,000 square meters.

The asset and property manager for the Big Mountain properties is Mountain Grove Management B.V., an affiliate of the sponsor.

Ares Management Corporation is the sponsor of the Sirocco loan. Ares is a global alternative investment manager with assets under management totaling \$197 billion. It operates integrated businesses across credit, private equity, real estate, and strategic initiatives. It uses local asset managers (APF International, Sonar Real Estate, Swiss Town Consult, and Trevian Asset Management) to manage the properties in the portfolio.

Servicing arrangements

Mount Street Mortgage Servicing Ltd. will be the primary servicer and special servicer. We rank Mount Street as ABOVE AVERAGE as a commercial mortgage primary and special servicer (see "Servicer Evaluation: Mount Street Mortgage Servicing Ltd.," published Aug. 20, 2020).

For this transaction, a loan enters special servicing if:

- A loan event of default or loan default exists on either loan's maturity date;
- Any payment due under the finance documents by an obligor exceeds 30 days overdue;
- A loan event of default arises as a result of any creditors' process or cross-default;
- Any obligor becomes subject to insolvency or insolvency proceedings;
- Any other loan event of default occurs or is imminent and is both unlikely to be cured within 21 days of its occurrence and likely to have a material adverse effect on the issuer, in the servicer's opinion.

If the loan enters special servicing, the special servicer will generate an asset status report within the 60 days after the special servicing transfer event occurs. The report will describe the status of the loan and the properties and outlines the effect of various courses of action on the loan's net present value. Examples of possible courses of action include a work-out of the senior loan or a realization of the security for the loan. The report concludes by presenting the special servicer's strategy to maximize the loan's recovery, based on the net present value.

The special servicer will produce a note maturity plan for the note trustee, the issuer, and the issuer security trustee within 45 days if:

- Any part of any loan remains outstanding six months before the final note maturity date; and
- It believes that a loan's anticipated recoveries (including by enforcement of the related security) are unlikely to be fully realized before the final note maturity date.

The issuer would then hold noteholder meetings to discuss the special servicer's proposals. Following this meeting, the special servicer will generate a final version of the note maturity plan. The holders of the most-senior class of notes will then meet and vote for their preferred option.

Insurance

Under the loan agreement, the borrowers for both loans are required to maintain insurance that covers the full reinstatement value of the building, at least three years' loss of rent, fire and casualty (including terrorism), and general/public liability.

All insurance policies should be written by an insurance company approved by the borrower facility agent and rated at least 'A'. This is in line with our guidance on property insurance.

Interest payments

Until the expected note maturity date, the notes will pay interest at a rate of three-month EURIBOR, with a floor of zero, plus a margin. After the expected note maturity date, if three-month EURIBOR exceeds 5% per year, the amount by which it exceeds 5% will be subordinated to the interest and principal payments on the notes.

The unrated class X certificates will receive excess spread in the transaction. Under the transaction documents, excess interest equals the difference between the loan and notes' interest minus administrative expenses, fees, indemnity payments due under the issuer transaction documents, and payments due to the liquidity reserve. The class X certificates payments initially have the same seniority as the class A notes. However, the class X certificates payments become subordinated to all interest and principal payments on the rated notes:

- From the calculation date following the expected note maturity date;

- From the calculation date if either loan has transferred to special servicing; or
- After the issuer security is enforced following a note event of default.

This mechanism mitigates the presence of the class X certificates, which could otherwise increase transaction costs.

The class D and E notes will be subject to an available funds cap that will lower payments due to lost interest from prepayments of the loans to the available funds for that period and any surplus principal funds after servicing the senior notes, issuer loan, and paying senior ranking fees and expenses. Under our criteria, this would not represent a breach of the imputed promise and would not cause the rating to fall to 'D'.

Hedging arrangements

We expect the borrowers to enter into an interest rate cap with a hedge counterparty at a strike rate of up to 1.50% for the Big Mountain loan and up to 1.75% for the Sirocco loan, for the full senior loan amount.

The hedging agreement expires at the initial maturity date, and the borrower would need to obtain a new interest rate cap (subject to required hedging conditions) should they wish to exercise their extension options.

We expect the replacement language in the hedging agreement at closing to be in line with our counterparty criteria to support a maximum potential rating of 'AAA (sf)' on the notes.

Liquidity reserve

The liquidity reserve will be funded from the class A note issuance and a portion of the issuer loan. The issuer will deposit it into the transaction account on the closing date. The reserve amount will equal €11.8 million and will be available to pay interest on the class A, B, C, and D notes, and the corresponding interest on the issuer loan. In addition, it can be used to pay senior expenses if need be, and make property protection advances. Drawings under this reserve will not be available for interest on the class E notes, or the class X certificates.

The liquidity reserve contains an appraisal reduction mechanism that may reduce the size of the liquidity reserve, and a draw-stop provision on the portion of the notes exceeding 105% of the properties' market value (as determined by the most recent valuation).

Principal payment arrangements

The issuer will use amortization amounts from the Sirocco loan to redeem the class A, B, C, D, and E notes pro rata, calculated based on their respective outstanding amounts at closing.

However, principal collections will be applied sequentially:

- From the calculation date following the expected note maturity date;
- From the calculation date if either loan has transferred to specially servicing; or
- After the issuer security is enforced following a note event of default.

Where only one loan has transferred to special servicing, principal amounts from only this loan will be applied sequentially.

Prepayments

In the event of a partial loan prepayment, the issuer will allocate prepayments of allocated loan amounts to the notes pro rata (including the release premium). Prepayment fees are paid pro rata.

For the Sirocco loan, following any property disposals, the borrower will have to repay the loan in an amount equal to the higher of the release price and 65% of the net disposal proceeds. The release price for the Peak Vienna property is 110% of the ALA, and 119.35% for each of the three other assets in the loan. The allocated loan amounts are based on proportional market values.

For the Big Mountain loan, following any property disposals, the borrower will repay the loan equal to the higher of 73% of net disposal proceeds and the release price. The release price is 115% of the ALA for all assets. The ALAs are based on proportional market values (61.9% LTV) except for Pin Montard (50.0% LTV) and the Val Cretes/Pre de Batis (32.2% LTV) properties. We have therefore factored this in our prepayment analysis.

Cash management

For both loans, rental income and other amounts received by the Big Mountain and Sirocco obligors are paid into rent accounts owned by the relevant obligors. Amounts standing to credit of each rent account will be payable by each borrower to the relevant finance parties (including the issuer) on the next loan payment date.

On each loan payment date, the relevant loan security agent will transfer all amounts then due to the issuer under the relevant facility agreement from the Big Mountain and Sirocco debt service accounts to the issuer transaction account.

Issuer accounts

The issuer account bank will open and maintain the following accounts:

- Issuer transaction account (into which all collections in respect of each loan will be paid);
- Issuer reserve account including the liquidity reserve;
- Issuer expenses account; and
- The issuer profit account (into which the issuer's profit will be paid).

The issuer cash manager will make payments out of the issuer transaction account, the issuer reserve account, and the issuer expenses account in accordance with the pre- and post-acceleration waterfalls.

Portfolio Collateral Overview

The Big Mountain loan properties

The loan is secured by a portfolio of Dutch and French properties. The Dutch portfolio comprises 17 offices and one light industrial asset located in the Randstad region, a densely populated commercial area in the Netherlands. The French assets are seven offices located in Sophia Antipolis, a technology park located in the French Riviera, created by the French government in

1970 to be France's equivalent to Silicon Valley.

Table 2

Property Overview By Country

| | France | The Netherlands | Total |
|---|--------|-----------------|-------|
| No. of properties | 7 | 18 | 25 |
| Market value (mil. €) | 102.9 | 145.5 | 248.4 |
| % of portfolio value | 41.4 | 58.6 | 100.0 |
| Occupancy as a percentage of the gross estimated rental value (%) | 94.7 | 90.3 | 92.2 |
| Weighted-average lease term to first break (years) | 2.3 | 2.9 | 2.6 |
| Total gross rent (mil. €) | 8.7 | 10.4 | 19.1 |
| Estimated rental value (mil. €) | 8.6 | 11.4 | 20.0 |
| Net operating income (mil. €) | 8.5 | 9.0 | 17.5 |
| Implied yield (%) | 8.3 | 6.2 | 7.0 |

The tenant base within the portfolio is diversified with exposure to a range of tenant industries. The properties are currently let to 238 tenants, with the top 10 tenants generating 40.5% of rental income. The largest tenant (Atos Nederland B.V.) contributes 10.7% of total rent. The portfolio has a WALT-to-break of 2.6 years and WALT-to-maturity of 3.7 years. The overall occupancy as a percentage of the gross estimated rental value is 92.2%.

The top five assets form 40.8% of the reported market value and are described in more detail below.

Table 3

Top Five Assets

– Key Figures

| | Marco Polo | Burg Rijnderslaan 30 | WTC Les Cretes | Keizersgracht 125-127 | WTC Les 2 Arcs | Total of Top Five Assets | Total Portfolio |
|---|-----------------|-----------------------------|-------------------------|-----------------------------|----------------------------|--------------------------|-----------------|
| Location | Mougins, France | Amstelveen, The Netherlands | Valbonne, France | Amsterdam, The Netherlands | Valbonne, France | -- | -- |
| Market value (mil. €) | 24.4 | 23.6 | 21.5 | 17.4 | 14.5 | 101.4 | 248.4 |
| % of portfolio value | 9.8 | 9.5 | 8.7 | 7.0 | 5.8 | 40.8 | 100.0 |
| Occupancy as a percentage of the gross estimated rental value (%) | 95.5 | 100.0 | 96.2 | 68.4 | 100.0 | 93.7 | 92.2 |
| Number of tenants | 9 | 1 | 47 | 38 | 7 | 102 | 238 |
| Largest tenant (% of total rent of property) | Orange (57%) | Atos (100%) | Parallel Design (14.9%) | TreeCon (10.0%) | Median Technologie (19.1%) | -- | -- |
| Weighted-average lease to break (years) | 2.8 | 1.7 | 1.9 | Month-to-month (Co-working) | 2.8 | 2.1 | 2.6 |
| % of total rent | 11.1 | 10.7 | 12.6 | 2.6 | 6.5 | 43.4 | 100.0 |
| Net initial yield (%) | 8.5 | 8.0 | 10.8 | 2.7 | 8.3 | 7.9 | 7.0 |

Marco Polo Mougins (France; 9.8% of the portfolio by market value). The property is located in the Sophia Antipolis technology park. The site is located in a business area, within the northern portion of Mougins and has good accessibility from the A8 motorway. Nice Airport and Cannes can be accessed by car in 21 minutes and 24 minutes, respectively.

The property, constructed in 2004, consist of four independent buildings, spanning over 12,784 square meters and arranged over one car park level with 294 spaces and two office space levels. The property also includes an on-site restaurant along with 303 external car park spaces located at various locations within the site.

The largest tenants are Orange S.A., the French telecoms company (57.0% of rent), Hewlett Packard Enterprise Company (19.9 % of rent), and Huawei Technologies Co. Ltd. (6.6 % of rent). The valuer considers the property to be rack rented.

Burg, Rijnderslaan 30, Amstelveen (The Netherlands; 9.5% of the portfolio by market value).

The property is located in the center of Amstelveen, approximately 11 kilometers from central Amsterdam. It has good access to the A9 motorway (Alkmaar-Amsterdam) and other important motorways such as the A4, A2, and A10 ringway of Amsterdam. The property is also easily accessible by public transport, metro, tram, and bus.

It was constructed in 1990 and refurbished in 2015. It is a 5-story office building (basement, ground floor, and three upper floor levels) with a 325-space underground parking. The property is spread over 9,002 square meters.

The property is 100% occupied by Atos Nederland B.V., a global provider of digital transformation services. It has tenanted the property since 2015 but has a break option in November 2022. The tenant can either completely vacate the space with a break penalty of €2.8 million or vacate approximately 1,972 square meters of space with a break penalty of €872,500. The valuer considers the property to be 1% over-rented.

WTC Les Cretes, Valbonne (France; 8.7% of the portfolio by market value). The property is located in the Sophia Antipolis technology park within the town of Valbonne. The center of Valbonne is located 2.9 kilometers north-west of the site. The site can be accessed by the Route Des Crêtes along the western and northern portions. Nice Airport and Cannes can be easily accessed by car in 19 minutes and 27 minutes, respectively.

The property, constructed in 1980, comprises six office buildings with below ground car parking. Total area is 12,386 square meters. The property was originally designed as a resort and includes tenant amenities such as a pool and tennis court. There is also a restaurant and a nursery located within the ground floor.

The largest tenants are Parallel Design (14.9% of rent), Wallstreet System (9.7% of rent). and QUESTEL (8.9% of rent). The valuer considers the leased space in the property to be 19.7% over-rented.

Keizersgracht 125-127, Amsterdam (The Netherlands; 7.0% the portfolio by market value).

The property is located in the city center of Amsterdam, along the Keizersgracht canals. The direct surroundings comprise hotels, similar office buildings, and residential apartments. The property is close to the high street shopping area and within walking distance of the Central station and Amsterdam museum.

Constructed in 1620, the property has historical status. It was originally two canal houses that were merged to form a single 5-story office to use as a business center. The total area of the property is 2,189 square meters. The property offers a variety of unit sizes, varying from 10 square

meters to 280 square meters. There are 10 parking spaces on the ground floor, accessible via an automated parking system.

The largest tenants are TreeCon B.V. (10.0% of rent), Taxibutler (10.0% of rent), and Sourcewell B.V. (8.0% of rent). The asset is currently operating as a co-working space with 67.5% occupancy and month-to-month lease terms, and is considered 13.0% under-rented by the valuer.

WTC Les 2 Arcs, Valbonne (France; 5.8% the portfolio by market value). The property is located in the Sophia Antipolis technology park within the town of Valbonne. The center of Valbonne is located 3 kilometers north-west of the site. It can be accessed by Route Des Crêtes along the northern corner. Nice Airport and Cannes can be easily accessed by car in 22 minutes and 26 minutes respectively.

Constructed in 2004, the property comprises four office buildings, arranged over two car park levels with 231 spaces and three office space levels providing a total area of 6,052 square meters. There are 583 square meters of private terraces. Located next to WTC Les Cretes, tenants benefit from shared amenities such as the restaurant, tennis courts, and pool.

The largest tenants are Median Technologie (19.1% of rent), CooperVision (19.0% of rent), and Blue Reg Pharma (18.5% of rent). The valuer considers the tenanted space to be close to rack rented.

The Sirocco loan properties

The loan is secured by a portfolio of four office properties in Austria, the Netherlands, Finland, and Germany. The offices are mainly let to well-known companies and the portfolio's current vacancy rate is approximately 17%, with a WALT-to-break of four years. The portfolio is well diversified with 56 tenants from a range of industries (including real estate, IT, healthcare, consulting, and government bodies), with the top 10 tenants accounting for about 56% of income.

Table 4

Portfolio Overview

| | Peak Vienna, Vienna | Las Palmas, Rotterdam | Duetto, Helsinki | Goldback Office Park, Ratingen | Total |
|--|------------------------|--------------------------|---------------------|-----------------------------------|-------|
| No. of properties | 1 | 1 | 1 | 1 | 4 |
| Market value (mil. €) | 110.5 | 52.1 | 37.8 | 37.1 | 237.5 |
| % of portfolio value | 46.5 | 21.9 | 15.9 | 15.6 | 100 |
| Vacancy (%) by area | 20.6 | 11.7 | 15.6 | 14.4 | 16.9 |
| Weighted-average lease term to first break (years) | 3.6 | 4.5 | 2.8 | 5.6 | 4.0 |
| Total gross rent (mil. €) | 5.15 | 2.75 | 2.31 | 2.60 | 12.80 |
| Estimated rental value (mil. €) | 6.63 | 3.30 | 3.70 | 2.92 | 16.54 |
| Net operating income (mil. €) | 4.55 | 2.43 | 2.50 | 2.13 | 11.61 |
| Net initial yield (%) | 4.1 | 4.7 | 6.6 | 5.7 | 4.9 |

Peak Vienna (Austria; 46.5% of the portfolio by market value). The property, which is valued at €110.5 million, is the largest asset in the Sirocco portfolio. The property is a modern 31-story office tower built in 2001 and refurbished in 2020. The office tower is a well-known property in

northern Vienna due to its distinctive design and high visibility. Situated in a secondary office location in a predominantly residential area, it is adjacent to the motorway and offers a direct link to the airport both by car and public transportation.

The asset spans over 39,500 square meters which includes a double height reception, flexible office accommodation, and a spacious inner courtyard that was renovated in 2020. In addition, a contract has been secured with Hutchinson Drei to make Peak Vienna the first tower in Austria with 5G connectivity throughout.

The property has a diverse mix of approximately 30 tenants, and Gas Connect Austria is the anchor tenant (16.5% of asset rent) with a WALT of 3.8 years. Peak Vienna currently has a high vacancy rate of 20.6% (by area) and the sponsor's asset management strategy is primarily based on leasing up vacant space by new marketing and rebranding that will offer improved amenities such as a concierge service for tenants.

Las Palmas, Rotterdam (The Netherlands; 21.9% of the portfolio by market value). The property is an iconic building located on Kop van Zuid which is the second most prominent office estate in Rotterdam. The area is a tourism hotspot and home to famous cruise terminal Holland-Amerikaliijn. Las Palmas benefits from good visibility at the waterfront, with the office loft on the top floors offering panoramic views over Rotterdam and Maas.

The property was constructed in 1953 and refurbished in 2021 and was historically a warehouse/terminal converted to office and retail. The asset is arranged over 19,725 square meters and includes a restaurant and museum on the strip, individual offices located on upper floors, and an iconic office unit on the roof. Furthermore, the area has good accessibility by public transportation.

Las Palmas is currently 88.3% occupied by seven tenants with a WALT of 4.5 years and further rent potential given the property is currently 4% underrented. The sponsor's business plan for the property includes reorganizing the tenants to consolidate vacancy, tenant fit-out for current vacant areas, and renovate and modernize the building entrance.

Duetto, Helsinki (Finland; 15.9% of the portfolio by market value). The property is a modern multi-tenanted business park located in a secondary office area in Helsinki. The asset benefits from being situated in a visible location next to the highway and railway station, which offers direct high-speed connection to the airport, which has significantly increased demand for office space in the area. It is a 15-minute drive from the Helsinki central business district (CBD) and in close proximity to prominent office submarket Pasila, which can be reached in a 5-minute drive, and is home to a number of multinational companies.

The asset was built in 2008 and some refurbishments have been made during 2017-2020 to modernize the building. The asset spans 14,162 square meters, which is predominantly office space and includes a restaurant.

Duetto is 84.4% let to 11 tenants including Palmia, which is owned by the city of Helsinki, and listed companies Huawei Technologies and Atria, representing 62.5% of the rental income overall. The property's WALT of 2.8 years is relatively short although we understand that the market standard average length of Finnish lease term is 3.0 years.

Goldbach, Dusseldorf (Germany; 15.6% of the portfolio by market value). The property is located in Ratingen, a recognized submarket of Dusseldorf and home to a number of multi-national corporations. The property, which is situated right next to Highway 52, is well connected to the Dusseldorf CBD and the international airport through suburban and

underground railways.

The asset was constructed in 1992 and is in good condition, requiring only technical repairs over the next years. The building comprises a three-story office building configured in two office wings and arranged in four building parts, over the ground floor and two upper floors.

The asset is currently 85.6% occupied with a WALT of 5.6 years and is overrented by about 4%. The sponsor's business plans include leasing up current vacant areas, ongoing minor technical repairs, and further tenant marketing to be undertaken both with current tenants and with engagement with external parties.

Credit Evaluation

In our analysis, we evaluated the underlying real estate collateral securing each loan to generate an expected case value. This value constitutes the S&P Value that we determine for each property--or portfolio of properties--securing a loan (or multiple loans) in a securitization. It primarily results from a calculation that considers each property's net adjusted cash flows and an applicable capitalization (cap) rate.

We determined each loan's underlying value, focusing on sustainable property cash flows and cap rates. We assumed that a real estate workout would be required throughout the seven-year tail period (the period between the date the last loan matures and the transaction's final maturity date) needed to repay noteholders, if the respective borrowers were to default.

The Big Mountain loan

We consider that the assets' potential to produce net cash flows is €15.5 million on a sustainable basis. This would imply a day 1 S&P ICR based on current interest rates of about 3.3x and an S&P debt yield of 10.4%. This includes our assumptions of the portfolio's ability to generate a sustainable cash flow, with adjustments to account for vacancy rates and costs related to running the estate.

We consider 8.6% to be an appropriate cap rate for the portfolio. This reflects our assessment of portfolio quality, and the diverse tenant and overall lease profile. We applied the derived cap rate to the portfolio's assumed net cash flow and deducted purchase costs to determine the portfolio's sustainable value. For the Val Cretes/Pre de Bati property, which is vacant, we assigned an alternative value equating to €6.2 million, which is 50% of market value. For the WTC Les Crete property, we also deducted an estimated €1.9 million employee costs to reflect that in the case of borrower insolvency, the claims of these French employees would rank senior to secured creditors. Our total €172.0 million net recovery value for the portfolio represents a 30.8% haircut (discount) to the open market valuation.

Table 5

S&P Global Ratings Key Assumptions: Big Mountain Loan

| | |
|---|--------|
| S&P Global Ratings NCF (mil. €) | 15.5 |
| S&P Global Ratings value (mil. €) | 172.0* |
| S&P Global Ratings net yield (%) | 8.6 |
| Haircut to reported market value (%) | 30.8 |
| S&P Global Ratings LTV before recovery rate adjustments (%) | 86.2 |

Table 5

S&P Global Ratings Key Assumptions: Big Mountain Loan (cont.)

*For the Val Cretes/Pre de Bati property, which is vacant, we assigned an alternative value equating to €6.2 million, which is 50% of market value, and for the WTC Les Crete property, we deducted €1.9 million as discussed above. NCF--Net cash flow. LTV--Loan-to-value ratio.

The Sirocco loan

We consider that the assets' potential to produce a net cash flow is €11.9 million on a sustainable basis. This would imply a day 1 S&P ICR based on current interest rates of about 2.1x and an S&P debt yield of 7.9%. As above, this includes our assumptions of the property's ability to generate a sustainable cash flow, with adjustments to account for vacancy rates and costs.

We consider 6.9% to be an appropriate cap rate for the portfolio, given the portfolio quality, location, tenant profile, and vacancy levels. We applied the derived cap rate to the portfolio's assumed net cash flow and deducted purchase costs to determine the portfolio's sustainable value. Our €163.1 million net recovery value for the portfolio represents a 31.3% haircut (discount) to the open market valuation.

Table 6

S&P Global Ratings Key Assumptions: Sirocco Loan

| | |
|---|-------|
| S&P Global Ratings NCF (mil. €) | 11.9 |
| S&P Global Ratings value (mil. €) | 163.1 |
| S&P Global Ratings net yield (%) | 6.9 |
| Haircut to reported market value (%) | 31.3 |
| S&P Global Ratings LTV before recovery rate adjustments (%) | 92.5 |

NCF--Net cash flow. LTV--Loan-to-value ratio.

Other property, loan, and transaction-level considerations

After we determined cash flows and values appropriate for the security package, for each loan, we determined recovery proceeds at each preliminary rating by applying a recovery proceeds rate at each rating category. We began by adopting base market value declines and recovery rate assumptions for different preliminary ratings. At each rating category, we adjusted the base recovery rates to reflect specific property, loan, and transaction characteristics (see "European CMBS Methodology And Assumptions," published on Nov. 7, 2012). In particular, for the Sirocco loan, we adjusted the recovery rates at each preliminary rating to account for a degree of scheduled loan amortization (from the Sirocco loan) over the term before an assumed loan default.

We aggregated the derived recovery proceeds above for each loan at each rating level, and compared them with the proposed capital structure. The pro rata allocation of scheduled principal payments and repayments reduces the deleveraging of the class A notes, compared with a fully sequential structure. We therefore assessed the effect of the pro rata payment profile on each class of notes in turn, comparing the principal amount of each outstanding tranche at the time of an assumed loan default with the derived recovery prospects, and used this as an input to our preliminary ratings. Additionally, we performed a last loan standing analysis to assess the effect

of the lower S&P LTV loan repaying first, in this case the Big Mountain loan.

In our assessment of the issuer's capacity to make timely interest payments, we have analyzed the available liquidity support for the transaction. We have analyzed scenarios where the issuer's income would decline in line with the relevant rating scenarios and where drawings on the liquidity reserve would be needed. We have also assumed that each loan will default at its maturity date, that it may then not benefit from loan-level hedging anymore, and that the issuer may then be exposed to increasing senior ranking expenses, such as special servicing fees, for example. In these scenarios, we have used a stressed note interest rate to assess whether the issuer will still have sufficient revenue to meet its interest payment obligations.

In conclusion, we found that there is sufficient liquidity support for each class of notes at the assigned preliminary ratings.

Scenario Analysis

We performed our stress scenario analysis to determine, on an indicative basis, our preliminary ratings' sensitivity to a decline in S&P Global Ratings value. A value decline may reduce refinancing prospects, or reduce recovery proceeds in the event of loan enforcement, in our view. To analyze the effect of a value decline, we considered scenarios in which the S&P Global Ratings value of the portfolio decreases by 10% to 40% from the current value.

Table 7

Indicative Ratings, Given The S&P Global Ratings Value Decline

| Class | Prelim. rating | S&P Global Ratings value decline | | | |
|-------|----------------|----------------------------------|-------------------|-------------------|-------------------|
| | | 10% | 20% | 30% | 40% |
| A | AAA (sf) | AA (sf) | A+ (sf) | A- (sf) | BB+ (sf) |
| B | AA- (sf) | A- (sf) | BBB- (sf) | B+ (sf) | B- (sf) and below |
| C | A- (sf) | BB+ (sf) | B+ (sf) | B- (sf) and below | B- (sf) and below |
| D | BBB- (sf) | B (sf) | B- (sf) and below | B- (sf) and below | B- (sf) and below |
| E | BB- (sf) | B- (sf) and below | B- (sf) and below | B- (sf) and below | B- (sf) and below |

Environmental, Social, And Governance (ESG)

Our rating analysis considers a transaction's potential exposure to ESG credit factors. For CMBS, we view the exposure to environmental credit factors as above average, social credit factors as average, and governance credit factors as average (see "ESG Industry Report Card: Commercial Mortgage-Backed Securities," published March 31, 2021). In our view, the exposure to ESG credit factors in this transaction is in line with our sector benchmark. The sector has above average exposure to environmental credit factors due to natural conditions and pollution. We reviewed the environmental and property condition assessment reports on the properties we analyzed. We also conducted a focused review of the loan documentation and property insurance requirements in the transaction. In our view, the structure of loans mitigates this risk.

Related Criteria

- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | CMBS: European CMBS Methodology And Assumptions, Nov. 7, 2012
- Criteria | Structured Finance | CMBS: CMBS Global Property Evaluation Methodology, Sept. 5, 2012
- Criteria | Structured Finance | General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009
- Criteria | Structured Finance | CMBS: Methodology For Analyzing Loan-Level Limited Purpose Entities In European CMBS, Sept. 1, 2004

Related Research

- ESG Industry Report Card: Commercial Mortgage-Backed Securities, March 31, 2021
- S&P Global Ratings Definitions, Jan. 5, 2021
- Servicer Evaluation: Mount Street Mortgage Servicing Ltd., Aug. 20, 2020
- 2017 EMEA CMBS Scenario And Sensitivity Analysis, July 6, 2017
- Application Of Property Evaluation Methodology In European CMBS Transactions, April 28, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

Copyright © 2021 Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.