

"Risk return transparency analysis for SPV investments - SECOND OPINION for the financial service provider and the individual customer"

 AUSTRIAN
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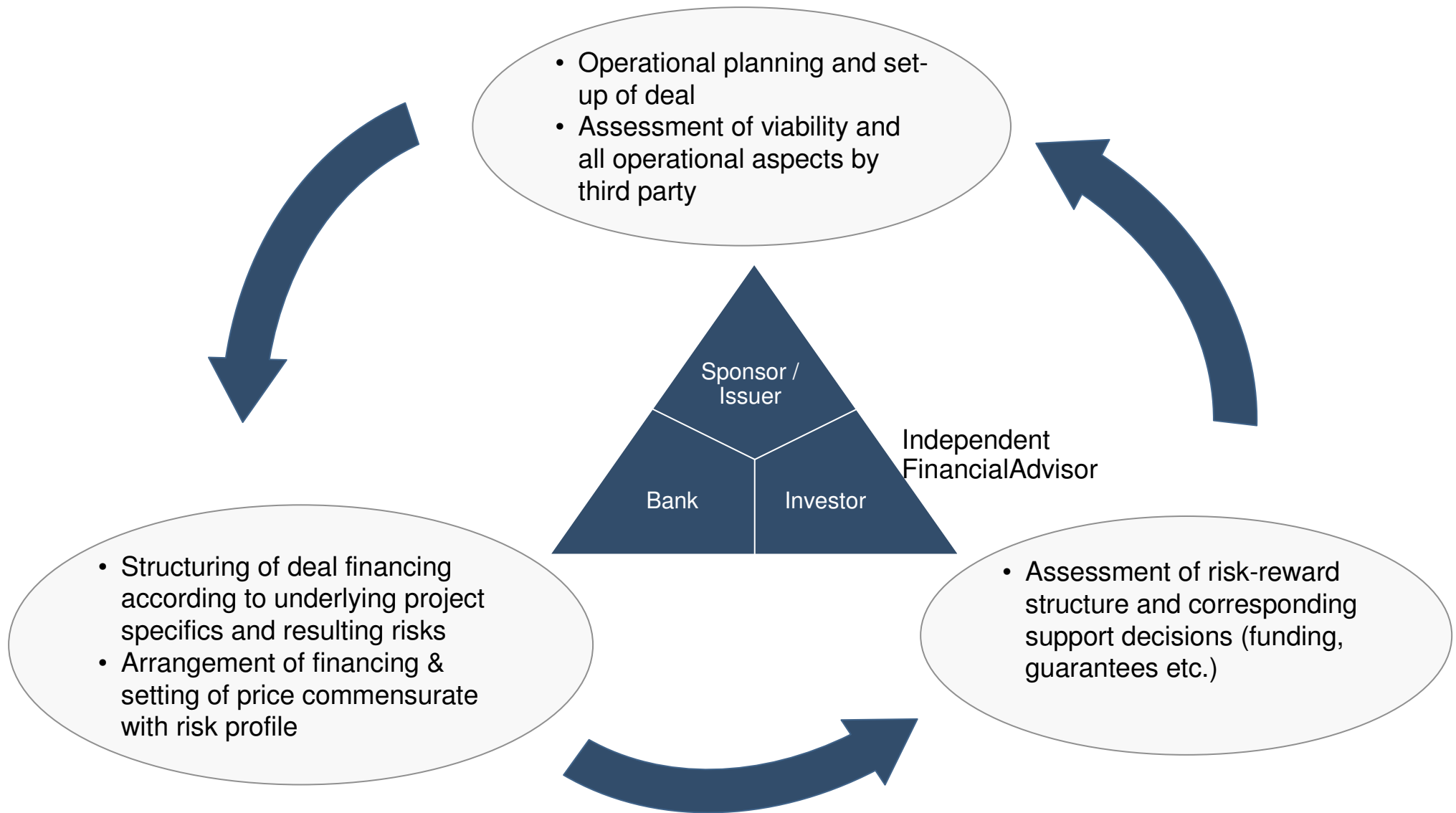
**Remember the key principles that firms
need to fulfil when dealing with you: (the investor)**

- To act **honestly, fairly and professionally**,
in accordance with **your best interests**
- To provide you with appropriate and
comprehensive information which is **fair,
clear and not misleading**
- To provide you with services that take
account of your individual circumstances

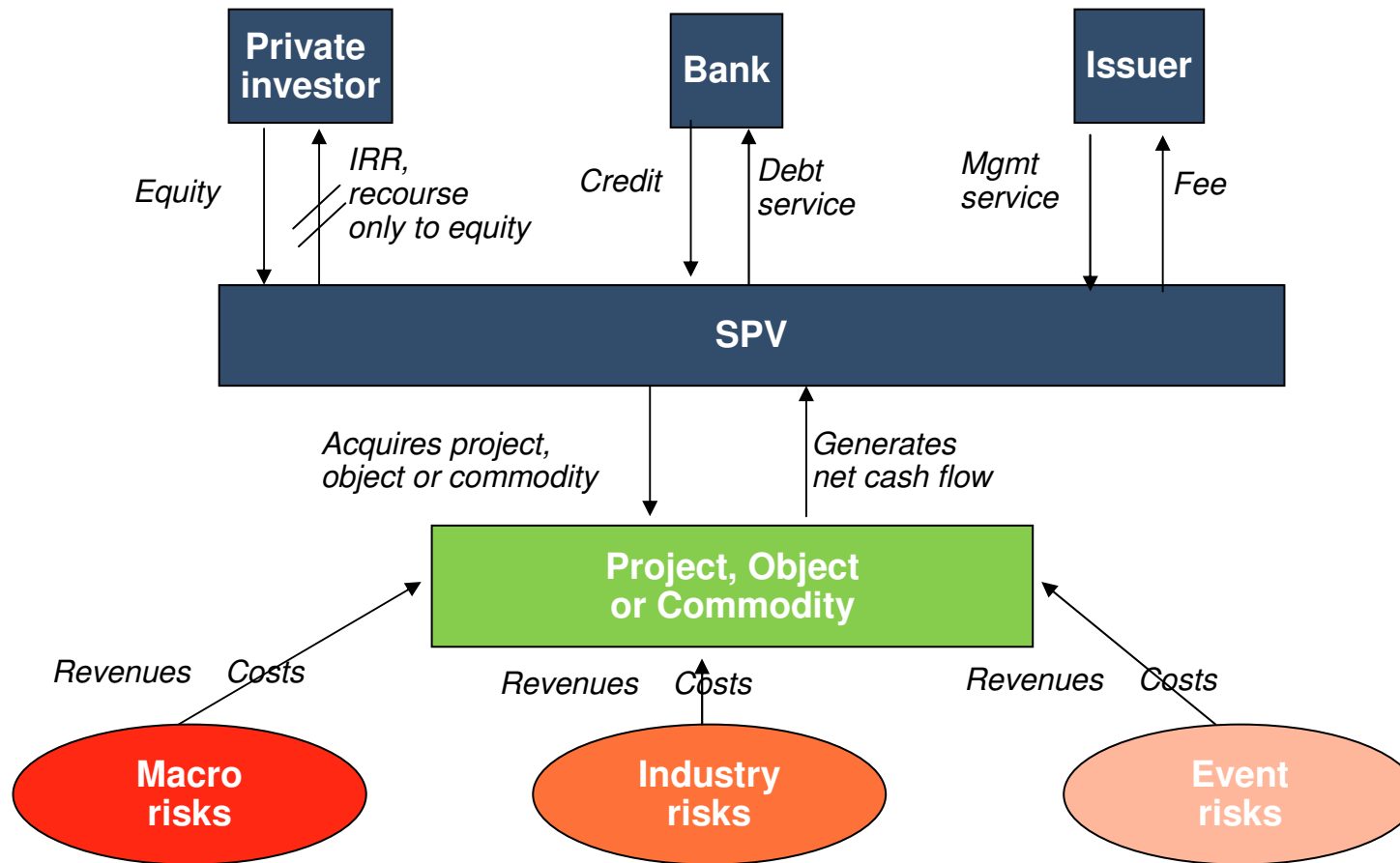
A consumer's guide to MiFID by CESR

CESR is an independent Committee of European Securities Regulators which has contributed to the preparation of the MiFID legal texts. One of the main objectives of CESR is to foster cooperation between its members in the exercise of their core functions, including raising public awareness on financial services issues and investor information.

Working hypothesis: The common interest of the parties involved is transparency



Risk-return analysis for structured investments -



Risk-return analysis for structured investments -

Structuring tools for specialised lending investments

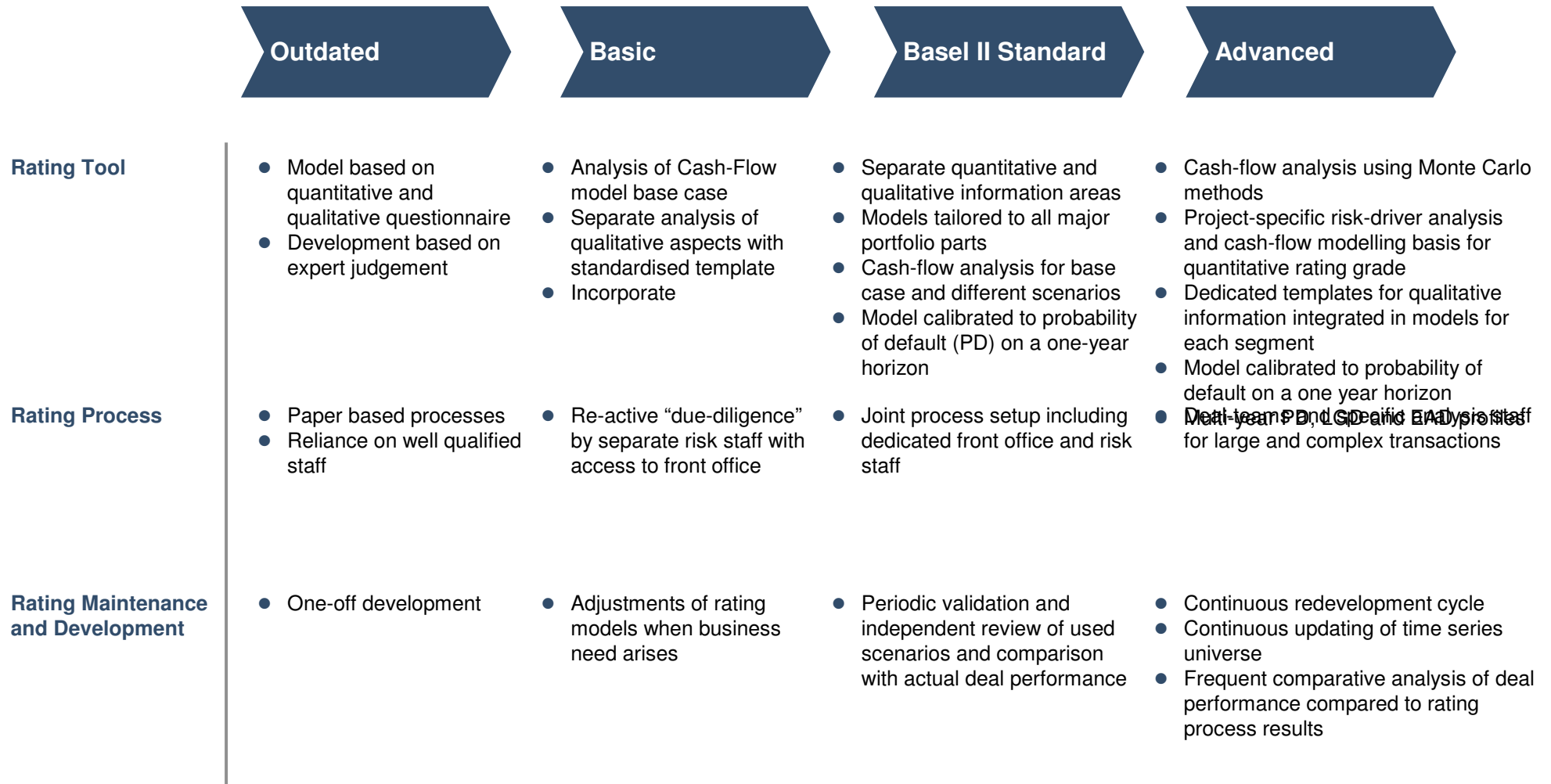
- Creation of integrated cash-flow analysis for structured investments:
 - Project Finance (core focus on infrastructure projects)
 - Commercial real estate (both developer and investor projects)
 - Asset finance (aircraft and ships, both individual financing structures and asset pool financings)
- Assessment of optimal financing structure depending on project specifics
- Focus on debt side in order to increase transparency for the structuring of the transaction and facilitate the arrangement of debt packages
- Cash-flow models based on expected cash flows of transaction together with stress tests in order to assess viability and profitability of projected structure in unfavourable circumstances

Risk-return analysis for structured investments -

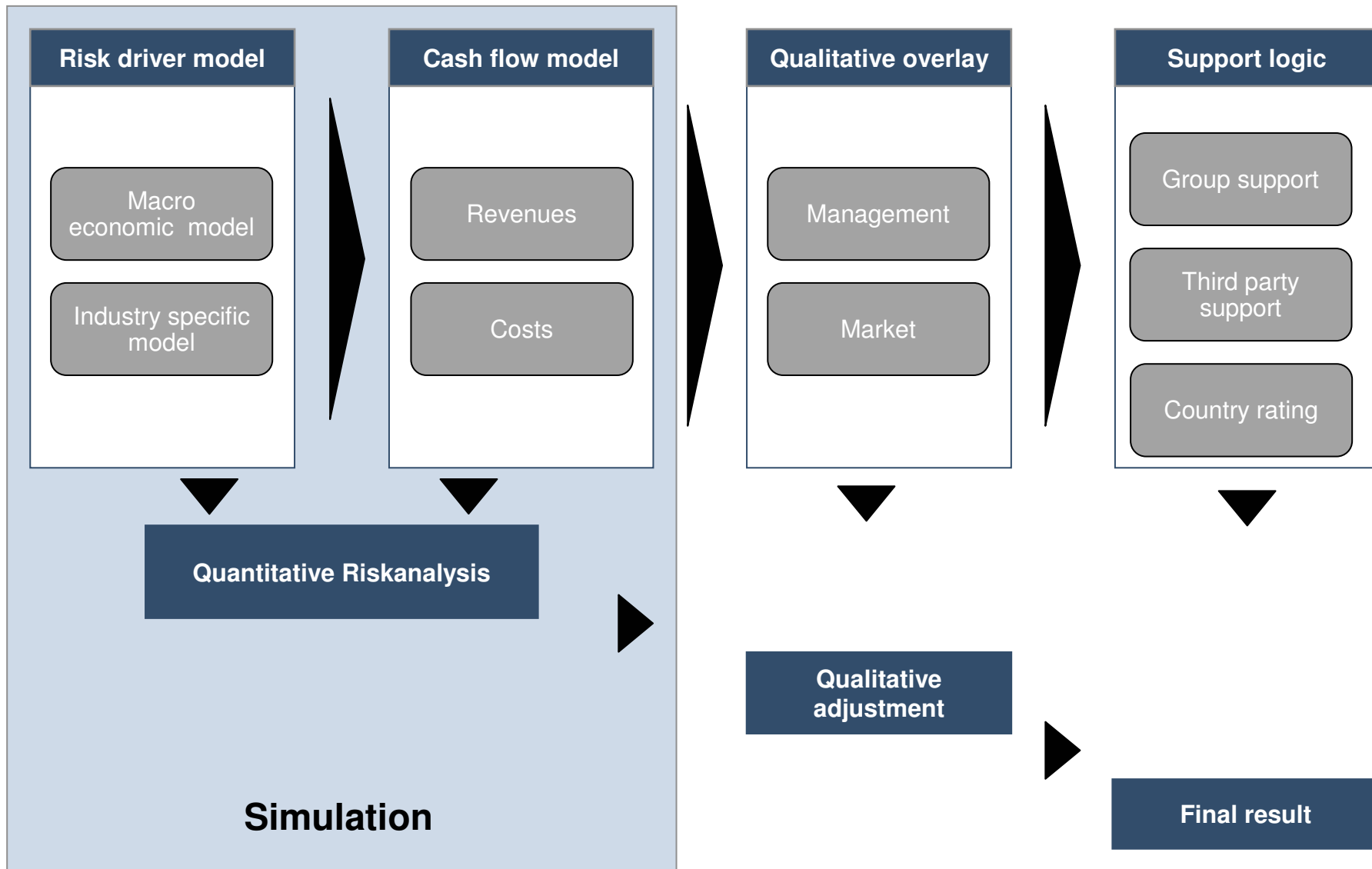
Pricing of debt

- Design of tools in order to allow determination and evaluation of optimal pricing structure for deals
- Assessment of deal value for all involved parties in the capital structure (from senior debt to equity)
- Based on Cash-Flow structuring models in order to reflect details of the deal structure

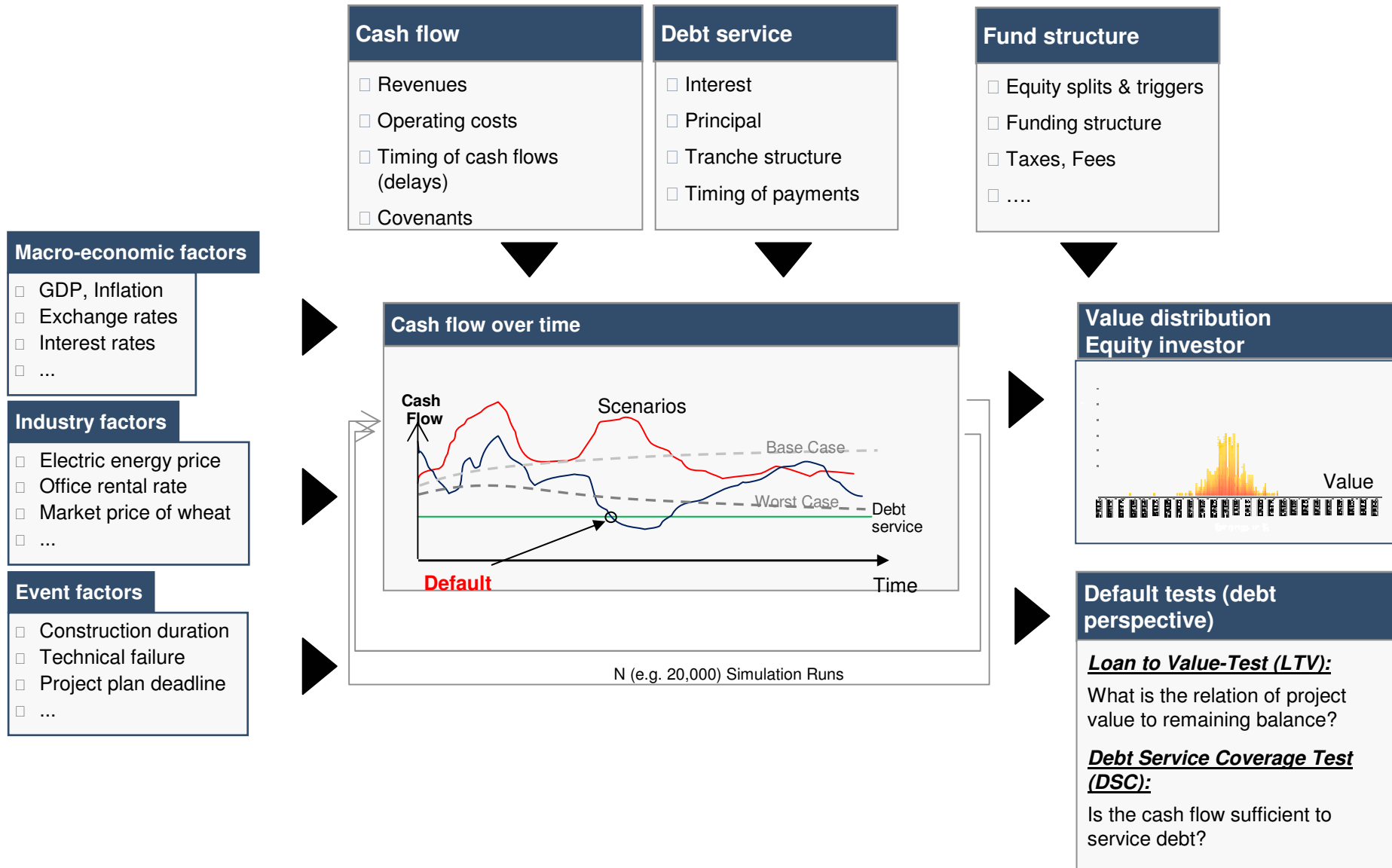
Debt-Perspektive



Best practice: quantitative analysis and qualitative overlay



Best practice: Fundamental-Analyse mittels Cash-Flow Simulationsmodell



Risk report



– Illustrative –

1 Risk/return statistics

Core risk/return metrics from investor perspective

- Average return
- Standard deviation
- VaR, Shortfall
- Risk/Return metrics
- Risk appetite:
 - likelihood of loss
 - 1/5, 1/10 years
 -

2 Threat scenarios

Scenario Category	Scenario Description	Probability
Single peril scenarios	Major counterparty default	0.4%
	US hurricane	0.4%
	UAE housing market slump	0.4%
Capital market scenarios	All currencies down 20% vs. USD	N.A.
	All equity and real estate down 30%, Credit loss rate up	1.7%
	All interest rate parallel up by 300 bp	0.4%
Multi risk driver scenarios	Major global recession together with regional economic slump	0.7%
	Major negative event in GCC country with regional economic unrest and global asset devaluation	0.2%

3 Trend analysis

External factors (FX, Equity, GDP, IR,...) and their impact on core metrics

Specific portfolio trends (e.g. CRE)

- RE collateral
- RE corporate

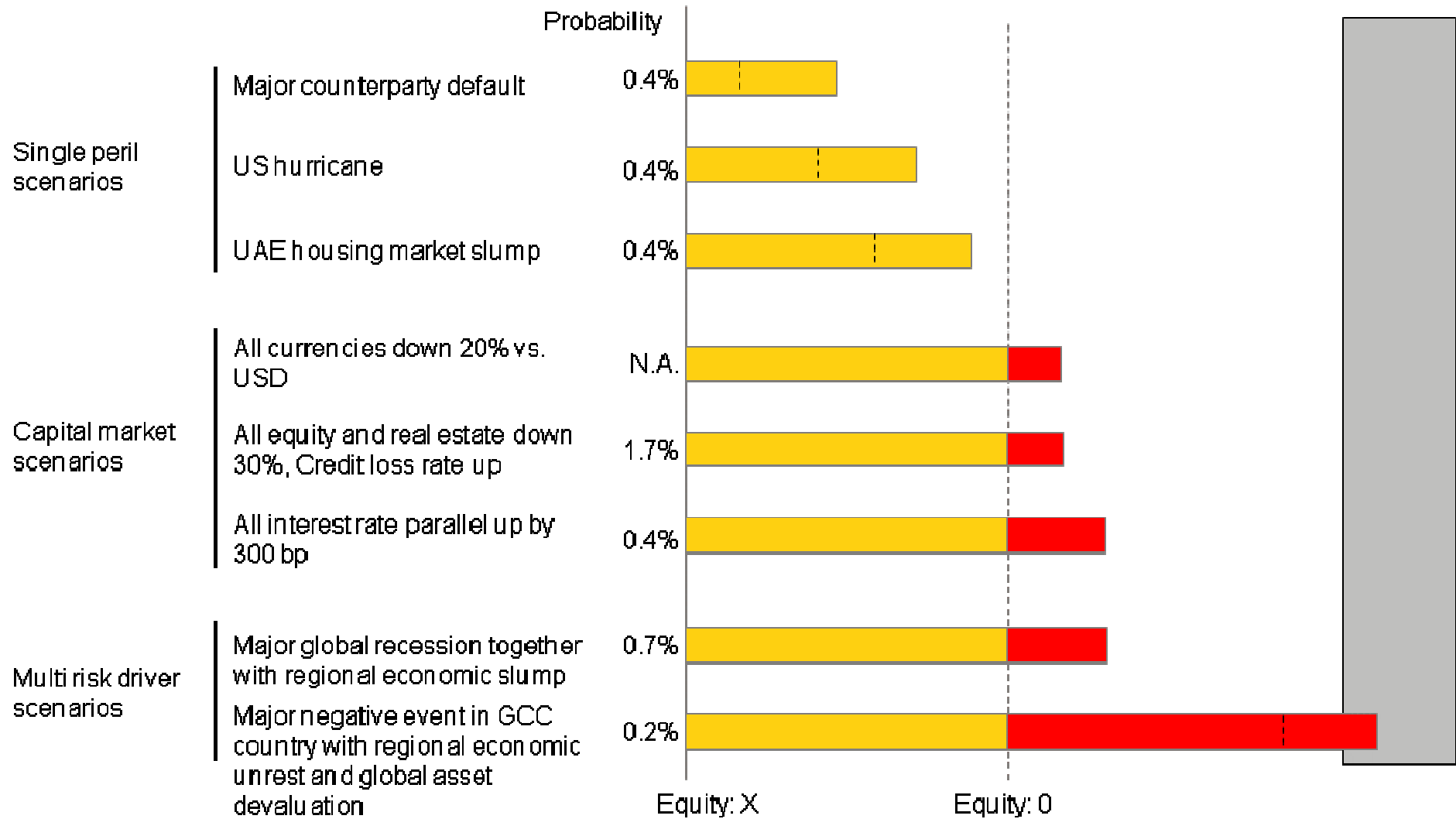
4 Key sensitivities

Sensitivity analysis of project value / investor return against key risk factors

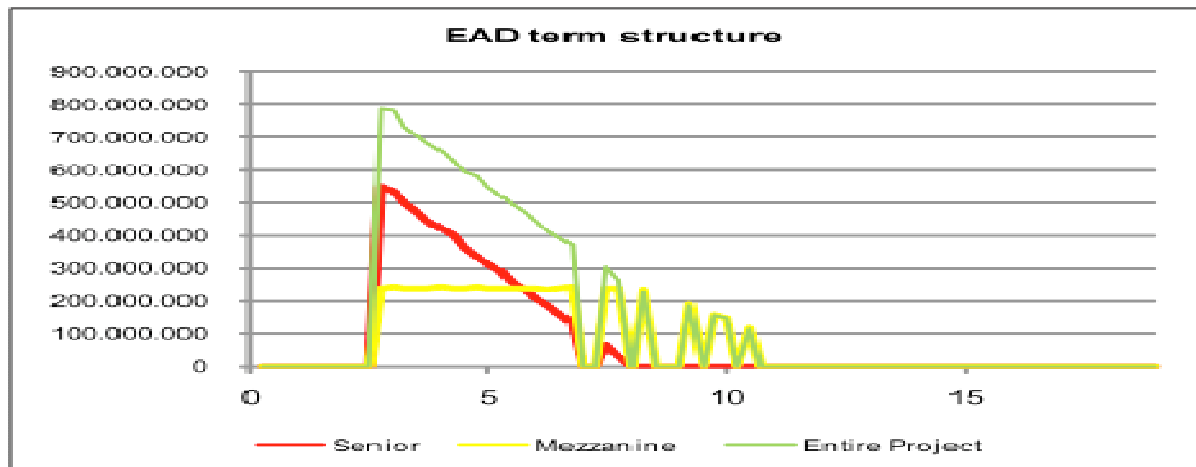
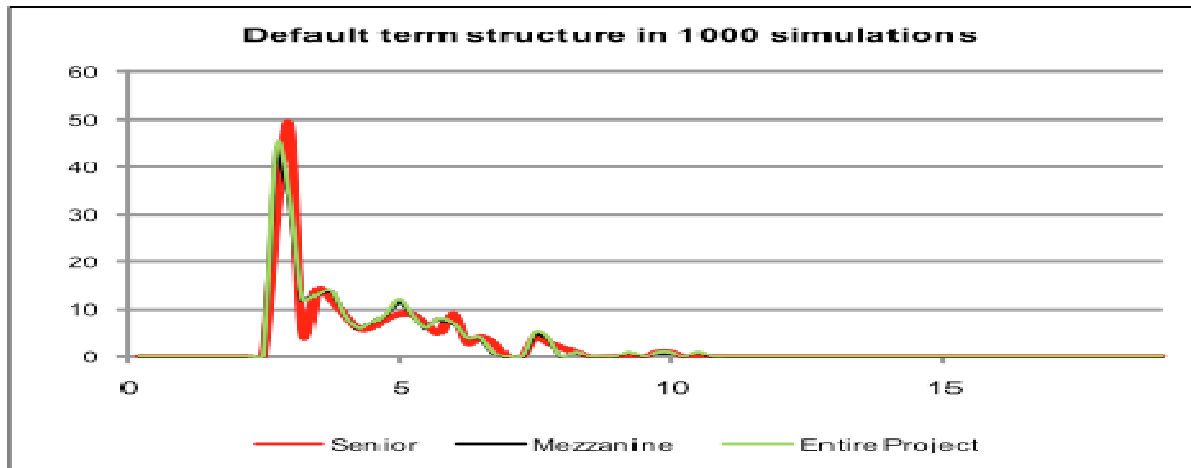
5 Qualitative factors

Factor	Indication
Quality of Mgmt	Yellow
Deal complexity	Red
Market	Green
Group Support	Yellow
Etc.	Green

Threat Scenarios - example

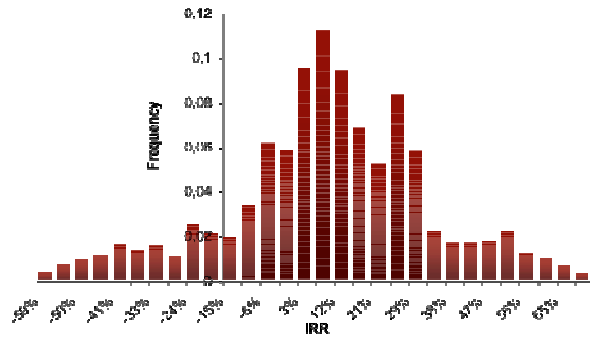


Illustrative Client Case Study – Debt Perspektive

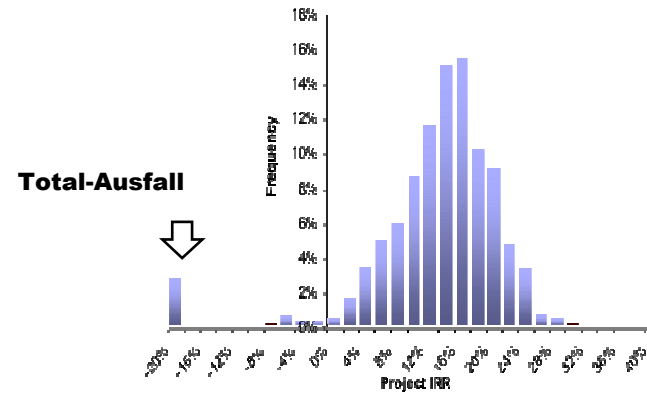


Risk / Return comparison

% Return p.a.-commodity
































IRR distribution p.a. (19 years) - Project

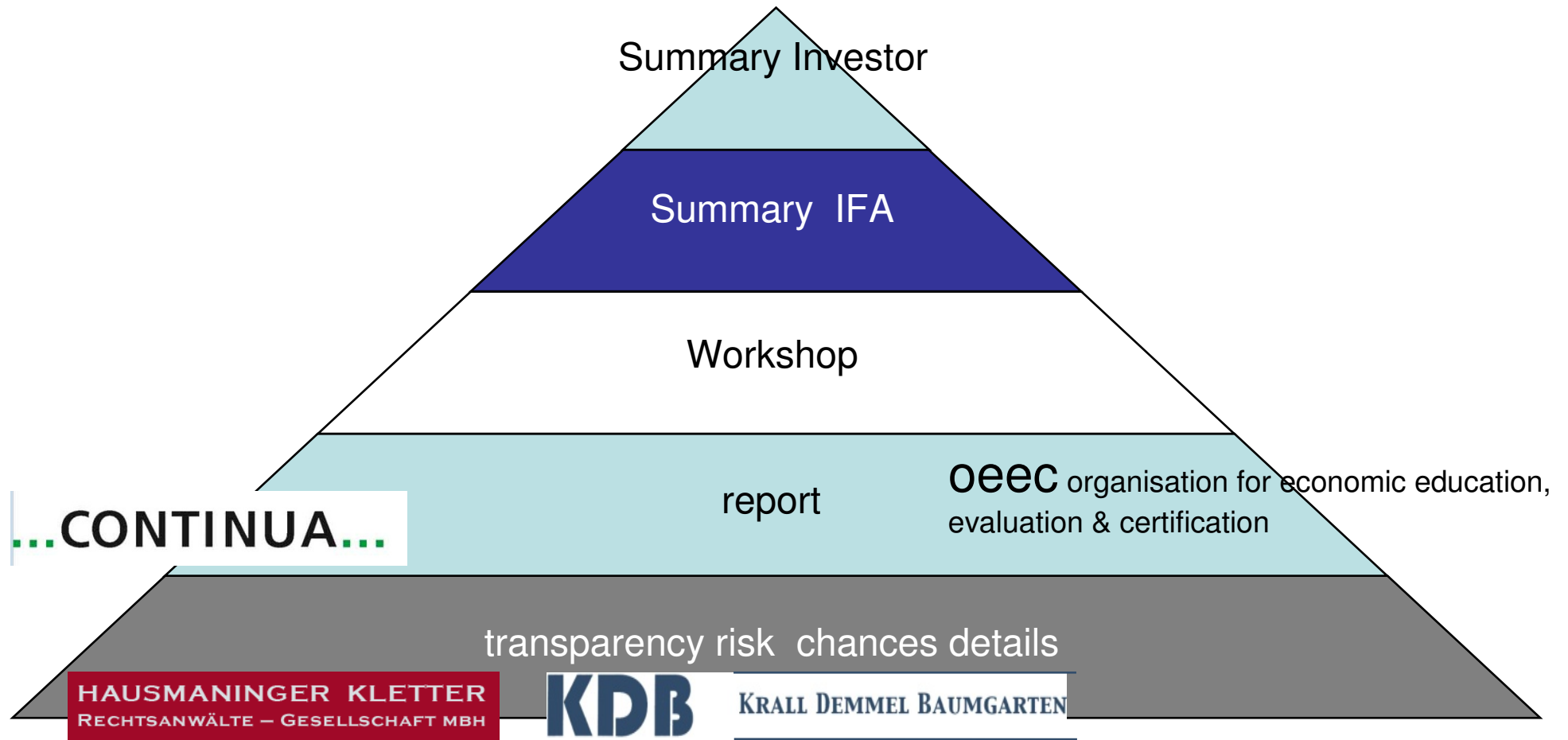


- Simulations offer the comparison of the Performance of the Fund-Product with alternative Investments
- Volatility of Direct-investment is remarkable higher, beside time horizon (Project 19 years)

Illustrative Client Case Study – Qualitative Faktoren

Completion Risk			Environmental Risk		
A1	Turn-Key contract		E1	Weather	
A2	Design/Planning		E2	Litigation	
A3	Cost estimate		E3	Health Hazards	
Market Risk			Social Risk		
B1	Demand		F1	Project site	
B2	Feasibility		F2	Security	
Operating Risk			Group Impact		
C1	Technology		G1	Sponsor	
C2	Supply		Country Risk		
C3	Management stake		H1	Intercountry regulation	
C4	Management quality		H2	Infrastructure	
C5	Accounting		H3	Political support	
C6	Key man risk		H4	Political stability	
C7	Labor internat		H5	Government intervention	
C8	Labor hiring		H6	Regulation	
C7	Maintenance				
Legal Risk					
D1	Enforceability				
D2	Regulation				
D3	Fraud				

RCTE result –reports, training



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We offer in cooperation with lawyers and risk managers

- An independent, experienced review of offering and marketing documents;
- In order to detect, highlight and communicate risks;
- With the aim to assist sales departments in rendering adequate advice on the financial instruments;
- We are NOT analysts (although we act independently like analysts);
- We do NOT render investment advice;
- We do NOT approve prospectuses.

Appendix: RISK MANAGER experience

- Our Partners in risk management have long-dating and broad experience in the risk and profitability assessment methodologies for specialized lending deals
 - Covering project finance and asset finance (aircraft, ships)
 - Covering a global portfolio of projects both government-subsidized and purely market-driven
 - Employing state of the art risk and profitability assessment methodologies
 - Leveraging proprietary tools and models for risk and profitability assessment
 - Having worked with the world's leading specialized lending banks in Europe, the Middle East and Asia