

## **PRESS RELEASE**

**PHOENIX ASSET MANAGEMENT ACQUIRES MEZZANINE AND JUNIOR ABS SECURITIES FOR A TOTAL NOMINAL VALUE OF 59 MILLION EURO FROM THE "ELROND" SECURITISATION ORIGINATED BY CREVAL.**

**DEBUT AS A DIRECT INVESTOR IN THE ACQUISITION OF PORTFOLIOS WITH PROPRIETARY FUNDS.**

Rome 3 July, 2020: Phoenix Asset Management S.p.A. (PAM) – independent asset manager and special servicer focused on the management of secured and unsecured non-performing loans (NPL) and unlikely to pay (UTP) portfolios – announces to have signed binding agreements for the purchase of ABS securities worth €59 million, resulting from the securitization transaction of non-performing loans originated by Credito Valtellinese (Creval) in July 2017, the so-called "Project Elrond", with a gross book value (GBV) of €1.4 billion as at the Issuance date.

In particular, PAM acquired 95% of the Junior Notes (with a total nominal value of €20 million) and 95% of the Mezzanine Notes (with a total nominal value of €42.5 million) from the funds advised by the US investment group Waterfall Asset Management, while the remaining 5% of the Junior/Mezzanine Notes is held by Creval along with the senior tranche of the securitization for €464 million, covered by the public guarantee for non-performing loans, the so-called GACS. The portfolio includes 3,682 positions collateralized by a variety of properties, mostly located in Northern Italy, with Cerved as special servicer of the operation.

For PAM this is the first equity direct acquisition, using its own capital, of securities with an underlying portfolio of NPLs.

Steve Lennon – Co-Founder & CIO of PAM - commented: "This transaction represents an important step in the Company's strategic development. In addition to our core asset management business, we have deployed proprietary capital in a medium-long term financial investment in the sector".

PAM has been carefully monitoring the GACS segment, regarding both new and existing transactions, in which it can bring to bear its expertise in analysis, underwriting and loan management, with reference to both primary and secondary markets. In the latter segment PAM has recently assisted a leading international investor in due diligence and in acquisition of a single name portfolio with underlying real estate and a portfolio of mortgage loans, both part of two GACS operations. For these transactions, PAM will also play the role of special servicer for the management of the portfolio.

In, PAM was advised by BonelliErede and Di Tanno Associati law firms for the structuring of the ABS securities purchase.

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**Phoenix Asset Management (PAM)** is an independent platform for the management of non-performing loans (NPL), both mortgage and unsecured, and unlikely to pay (UTP), focusing on positions with high legal complexity and mostly real estate content. In addition, the company offers due diligence and advisory services in the acquisition and pricing of loan portfolios and in the structuring of securitization transactions, also identifying investment opportunities in specific real estate transactions or in situations of corporate turnaround. With its special servicing activity, PAM manages a total gross exposure of approximately €9 billion divided among 15 NPL / UTP loan portfolios. In addition, on behalf of international investors, over the last two years the Company has carried out due diligence processes aimed at acquiring NPL loan portfolios worth more than €25 billion.

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