



*The University of Western Ontario*

## **Non-Bank ABCP Recovery Scenarios**

August 2011

### **Disclaimer**

This presentation contains forward-looking information such as the estimated price of the Liquidating Trust in January 2017, based on various scenarios. There's no guarantee that the Liquidating Trust will trade at those prices at maturity.

---

*Non-Bank ABCP Recovery Scenarios*



# Summary

Scenario	Estimated Liquidating Trust Price at Maturity (January 2017)
Optimistic	\$99.90
Realistic	\$97.90
Conservative	\$79.30
Worst-Case	\$0
Current value (July 31, 2011)	\$77.642

*Non-Bank ABCP Recovery Scenarios*



## Scenario 1 (Optimistic)

- MAV2 credit losses total 2%
- Face value is recovered for MAV2 collateral
- Spread-loss triggers are not breached
- Class 13 credit default swap does not breach; collateral value of \$62 million
- Estimated value at maturity: \$20.0 MM
- **Estimated Liquidating Trust price at maturity: \$99.90**

*Non-Bank ABCP Recovery Scenarios*



## Scenario 2 (Realistic)

- MAV2 credit losses total 2%
- 99% of face value is recovered for MAV2 collateral
- Spread-loss triggers are not breached
- Class 13 credit default swap has 3% loss; collateral value of \$58 million
- Estimated value at maturity: \$19.6 MM
- **Estimated Liquidating Trust price at maturity: \$97.90**

*Non-Bank ABCP Recovery Scenarios*



## Scenario 3 (Conservative)

- MAV2 credit losses total 25%
- Face value is recovered for MAV2 collateral
- Spread-loss triggers are not breached
- Class 13 credit default swap has 50% loss; collateral value of \$53.7 million
- Estimated value at maturity: \$15.9 MM
- **Estimated Liquidating Trust price at maturity: \$79.30**

*Non-Bank ABCP Recovery Scenarios*



## Scenario 4 (Worst-Case)

- Spread-loss triggers are breached twice
- Funding facilities are not sufficient to meet collateral demand
- MAV II has 3 days to raise additional margin funds
- Most likely a total loss

*Non-Bank ABCP Recovery Scenarios*

