

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

## Loan Note Instrument (RTL Mortgage Super Senior Note Series II)

<Assignment>

Loan Note Instrument: Preliminary AA-

### Rationale

This is an investment project through Churchill Real Estate SPC for loans collateralized by residential properties, land, etc. in the U.S. ("real estate collateralized loan"), for which JCR has assigned a rating to the facility to issue the Notes to be issued by Churchill Real Estate SPC. Churchill Investment Management LLC, the investment manager, has a good track record of management and appropriate management system. As for an impact of falling real estate prices, JCR ensured that the Notes can be still redeemed under the stress scenarios, which assumed a strong stress referring to the past real estate market price trend, etc., due to the positive effects of the conservative LTV level and various security packages.

Kiichi Sugiura, Hiroki Ishizaki

### Rating

<Assignment>

Instrument Name	Facility Amount (bn)	Establishment Date (Scheduled)	Coupon	Preliminary Rating
Loan Note Instrument (RTL Note Series SS II)	USD 3	January 28, 2022	Based on Performance	AA-

<Information on Outline of Issue>

Maturity Date:

Date when 3 years have passed from the issue

Final Redemption Date:

Scheduled Final Amortization Date(\*) or Early Redemption Date, whichever comes first

(\*) Date when 4 years have passed from the issue (however, it can be extended for additional 6 months by agreement)

Redemption Method:

Lump-sum cash settlement or amortization method for the given period

Credit Enhancement & Liquidity Facility:

Reserve

<Information on Structure and Stakeholders>

Issuer:

Churchill Real Estate SPC

Arranger:

Churchill Finance LLC,  
Simplex Asset Management Co., Ltd.

Investment Manager:

Churchill Investment Management LLC

<Information on Underlying Assets>

Outline of Underlying Assets:

Loans Receivables

Rating Assignment Date: January 14, 2022

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "Real Estate (Securitization)" (August 2, 2021), "ABL (Asset-based Lending)" (February 22, 2018) and "Investment Funds" (November 22, 2019) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>). Rating methodologies for other ancillary points such as eligible deposit accounts and bankruptcy remoteness are also shown within the same page.

A preliminary rating is a credit rating assigned as a preliminary evaluation while material terms for issue to be rated are not yet finalized. When the issuing terms are finalized, JCR will confirm them and will assign a credit rating anew. The rating level of the final rating may be different from that of the preliminary rating, depending on the final content of the terms, etc.



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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

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