

## Credit Products/Netherlands New Issue

## Harbourmaster CLO 4 B.V.

### Ratings

Class	Amount (EURm)	Rating	CE %	Rating Description
A1	337.0	AAA	32.6	Ultimate P & Timely I
A2E	28.0	AAA	27.0	Ultimate P & Timely I*
A2F	40.0	AAA	19.0	Ultimate P & Timely I*
A3	32.0	AA	12.6	Ultimate P & I
A4	16.0	A	9.4	Ultimate P & I
B1	11.0	BBB	7.2	Ultimate P & I
B2E	4.0	BB	5.2	Ultimate P & I
B2F	6.0	BB	5.2	Ultimate P & I
C	36.0	NR		

\* Please note that while the class A1 notes remain outstanding, a deferral of interest under the class A2 notes would not lead to enforcement. Notwithstanding, Fitch's rating assigned to the class A2 notes addresses timely payment of interest.

### Combo Notes

Class	Components	Amount (EURm)	Rating	Rating Description
S1	Class A2F	40.0	AAA	Ultimate P
	Class C	10.0		
S2	Class B1	3.0	BBB-	Ultimate P & I (EURIBOR flat)
	Class B2E	2.0		
	Class C	1.0		
S3	Class B1	3.5	BBB	Ultimate P
	Class B2E	1.0		
	Class C	0.5		

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### Summary

This transaction constitutes a securitisation of senior secured and unsecured (maximum of 5% of the portfolio notional) loans. Fitch Ratings has assigned ratings to the notes issued by Harbourmaster CLO 4 B.V. ("the issuer") as indicated at left. The issuer is a limited liability company incorporated under the laws of the Netherlands. It will issue various classes of fixed- and floating-rate notes (see table to the left) and will use the proceeds to purchase a EUR500 million portfolio of loans to be managed by Harbourmaster Capital Limited ("Harbourmaster" or "the manager"). As of the closing date, the issuer has purchased just over 60% of the target portfolio, following which, the ramp-up period to build the portfolio to its ceiling will span a maximum of 270 days.

The ratings are based on the available credit enhancement, which is provided through subordination, but also includes structural protection covenanted by the documents and excess spread. The ratings of the class A1 and A2 notes address ultimate repayment of principal at maturity and timely payment of interest when due. For all other classes of notes, the ratings address ultimate payment of principal and interest, including deferred interest, at maturity. The rating assigned to the S1 and S3 combo notes addresses the ultimate payment of principal from funds received on their components (interest and principal – see table at left), while for the S2 combo notes, the rating addresses the ultimate payment of principal and interest at a coupon rate of EURIBOR.

### Credit Committee Highlights

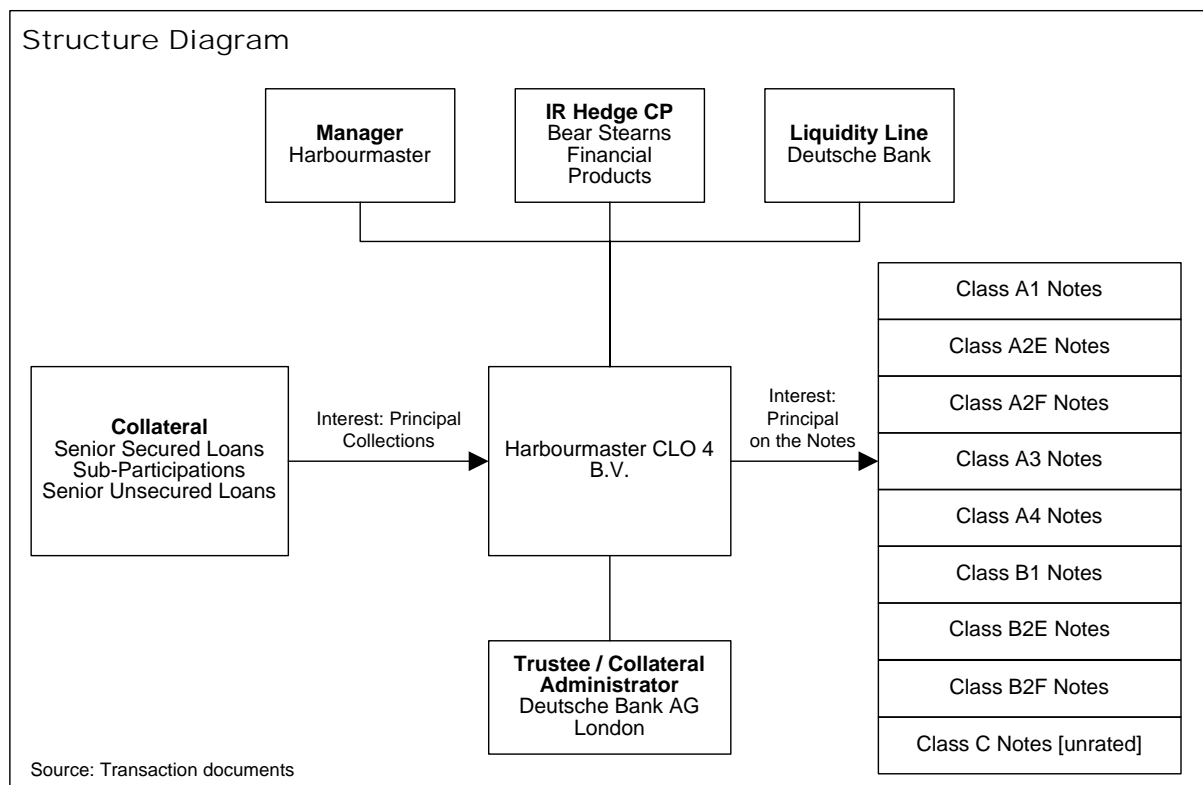
**Asset-Specific Rating and Recovery Rates:** Each asset will be analysed by Fitch's European Leveraged Finance Group ("ELF") prior to its inclusion in the portfolio. ELF will assign and maintain issuer ratings and asset-specific recovery rates. The portfolio will be managed to a weighted average recovery rate of 70%.

**CAM2:** Fitch recently assigned Harbourmaster a CDO Asset Manager Rating of 2 ('CAM2') for leveraged loans, based on the manager's strong credit underwriting and workout experience. This rating was factored into the analysis by reducing the rating default rate ("RDR") produced by VECTOR according to Fitch's CDO rating criteria.

### Treatment of Discounted Assets in Overcollateralisation Tests:

For the purpose of calculating the overcollateralisation ("OC") test ratios (which will divert interest to repay principal), discounted securities are taken at their purchase price. This allows the OC test to more accurately reflect the actual value of the collateral portfolio.

**Weighted Average Life Covenant:** The issuer covenants to a maximum weighted average life of eight years for the portfolio during the first two years, stepping down to seven years at the end of the reinvestment period.



## ■ Structure

The notes are issued by Harbourmaster CLO 4 B.V., a bankruptcy-remote special purpose vehicle incorporated under the laws of the Netherlands. Its activities are limited to those directly related to its primary purpose; the acquisition of the collateral, entering into, among others, the collateral management agreement with Harbourmaster and the liquidity facility agreement with Deutsche Bank AG London (“Deutsche Bank”, rated ‘AA-/F1+’), and issuing the notes to finance the purchase of the assets. All the rated notes will have a contractual right over the portfolio of assets owned by the issuer.

### Deferral of Interest

Non-payment of interest in respect of the class A1 notes (if redeemed, the then most senior tranche) will constitute an event of default under the notes. In this event, the trustee, at its discretion or at the request of 75% of the senior noteholders, may declare that all outstanding notes are due and payable. In such a scenario, the trustee would take appropriate actions (at its discretion or the request of 75% of the senior noteholders) that may include the liquidation of the collateral.

While any senior notes are outstanding, deferral of interest on any of the subordinated notes would not constitute an event of default. Such amounts will be added to the outstanding principal amount of the relevant tranche and will be considered in the

calculation of the OC tests (see *Structural Protection*).

### Combo Notes

At closing, Harbourmaster CLO 4 B.V. issued the class S1, S2 and S3 combo notes that comprise components of the rated notes as well as the class C subordinated, unrated notes, as shown on the front page of this report. The interest and principal cash flows on the combo notes will be derived from the interest and principal cash flows on their respective components.

Fitch’s rating assigned to the S1 and S3 combo notes addresses the ultimate repayment of principal from funds received from the components (interest and principal). For the S2 combo notes, the rating addresses the ultimate repayment of principal and ultimate payment of interest at a coupon rate of EURIBOR flat.

### Class C Call Option

On any payment date after the end of the non-call period, the issuer, acting on behalf of at least 66 2/3% of the class C noteholders, may call the transaction providing all the rated notes have been repaid in full. This would result in principal proceeds being applied to redeeming any outstanding notes in order of priority.

## Key Information

### Portfolio Characteristics

**Type of Assets:** Senior secured and unsecured (up to 5% of the portfolio notional loans )

**Total Portfolio:** EUR500m

**Max. Weighted Average Life:** Eight years (seven at the end of the reinvestment period)

**Reinvestment Period:** Five years after the Effective Date

**Weighted Average Rating:** B+/B

### Structure

**Collateral Manager:** Harbourmaster Capital Limited

**Arranger and Book Runner:** Bear Stearns International Limited (a wholly owned subsidiary of The Bear Stearns Companies, Inc. rated A+/F1+)

**Liquidity Provider:** Deutsche Bank AG London (rated 'AA-/F1+')

**Collateral Administrator:** Deutsche Bank AG London

**Interest Rate Floor Counterparty:** Bear Stearns Financial Products

**Trustee:** Deutsche Trustee Company Limited

## ■ Counterparty Risk

### Sub-Participation Agreements

The issuer may enter into sub-participations up to an amount equal to 20% (subject to the rating of the counterparty) of the portfolio notional. These sub-participations in senior secured loans will be acquired from financial institutions rated at least 'A'. The maximum exposure to any single counterparty will depend on that counterparty's rating, as shown below. Sub-participations expose the issuer to counterparty risk; however, this is mitigated by the minimum rating of 'A' on these counterparties as well as specific counterparty and portfolio limitations. If the issuer enters into a sub-participation agreement with a qualifying institution over less than 100% of the underlying loans held by that institution (partial sub-participation), it generally will not have the right to vote, to waive enforcement of any covenants breached by an underlying borrower, and the counterparty may without any liability to the issuer agree to any variation or waiver of the terms of the underlying loan.

### Liquidity Facility

The provider of the liquidity facility is Deutsche Bank. In the event that Deutsche Bank is downgraded below 'F1', it will have to deposit any

## Sub-Participation Limits

Fitch Rating	Per Counterparty (%)	Aggregated (%)
AAA	20.0	20
AA+	10.0	20
AA	10.0	20
AA-	7.5	15
A+	5.0	10
A	5.0	10

Source: HM4 Offering Circular

undrawn commitment under the liquidity facility in a stand-by liquidity account.

Under the liquidity facility agreement, the issuer can draw funds up to any accrued but unpaid interest in respect of the assets (excluding defaulted assets) to meet its payment obligations under the notes. The liquidity facility is capped at EUR10,000,000.

The facility mitigates any potential mismatch between the frequency of payments on the liabilities (quarterly) and the assets, which could be semi-annual or annual.

### Account Bank and Eligible Investments

The issuer will hold monies in several accounts, among which, the principal and interest account with Deutsche Bank. Should Deutsche Bank be downgraded below 'F1', the issuer will need to find a replacement account bank with a minimum rating of 'F1' within 30 days.

The issuer may also invest available funds in eligible securities, subject to the following conditions:

- EUR-denominated;
- Rated 'AAA' and/or 'F1+' by Fitch; and
- Maturity is prior to the following payment date.

### Interest Rate Floor

At closing the issuer entered into an interest rate floor agreement with Bear Stearns Financial Products ("BSFP", a wholly owned subsidiary of The Bear Stearns Companies, Inc. rated 'A+/F1+'). Under the floor agreement, BSFP will make a payment to the issuer if the three-month EURIBOR rate falls below 2% per annum (the strike rate). The payment due to the issuer will be the product of: (A) the difference between three-month EURIBOR and the strike rate; (B) the notional of the floor agreement; and (C) the day count fraction. The interest rate floor agreement will terminate on the payment date falling in January 2013.

The interest rate floor provider must have a minimum rating of 'F1' from Fitch or must otherwise be acceptable to the agency.

## ■ Collateral

The collateral comprises primarily senior secured (up to 5% of the portfolio can be senior unsecured), or sub-participations in EUR-denominated senior secured loans advanced by highly rated financial institutions (see *Counterparty Risk*). Each asset must comply with the eligibility criteria at the time of inclusion and must have an issuer rating (as opposed to an asset rating) of at least 'B-' from Fitch.

Fitch's ELF group will privately rate any assets not publicly rated prior to their inclusion in the portfolio at closing or thereafter.

## Closing Portfolio

The EUR300.5m initial portfolio is composed of 63 senior secured loans, with a weighted average ("WA") life of 6.9 years and a Fitch WA rating factor of 24.83 ('B+(B plus)/B'). Investment-grade assets account for 3.7% of the pool. Regionally, the portfolio is concentrated in Germany (32.60%), Netherlands (17.49%), and France (14.49%). From an industry perspective, only Broadcasting/Media/Cable(15.48%), "Food, Beverage & Tobacco" (11.53%), and Telecommunications (10.32%) individually account for more than 10 per cent of the initial portfolio.

## Ramp-Up Period

As of the closing date, the issuer has purchased just over 60% of the target portfolio; the remainder will be selected over approximately 270 days. As some of the proceeds will continue to be held in cash, the interest received on the assets may potentially fall short of the interest due on the notes (negative carry cost). The collateral manager must ensure sufficient cash flow from the assets and available liquidity to cover scheduled interest distributions on the notes. The period between the closing date and the effective date, the ramp-up period, may be shorter than 270 days insofar as the portfolio guidelines are satisfied.

## Sales and Reinvestment

The collateral manager may, at any time, sell defaulted or credit-impaired assets. This feature gives the flexibility to mitigate losses in a high-default environment and avoids potential defaults on assets the manager determines to be at significant credit risk. In addition, the manager may also sell at its discretion assets whose value has appreciated since purchase to lock in the profit. Any sales proceeds (including purchased interest) are classified as principal, bar accrued interest sold, which is counted as interest proceeds.

The issuer is entitled to reinvest collateral proceeds received from the redemption, maturity or sale of

assets during the five years following the effective date (reinvestment period). Reinvestment is subject to the portfolio guidelines and the coverage tests described under *Structural Protection*. With regards to the reinvestment of scheduled principal receipts all coverage tests must be met. Unscheduled principal receipts (including sales proceeds) may be invested despite the test being breached if, following reinvestment, the test value is improved or at least maintained.

Following the ramp-up period, available principal receipts can only be held for three payment periods, after which such funds either have to be reinvested or be used to redeem the notes in order of seniority.

Following the reinvestment period, scheduled principal collections will be used to redeem the notes in order of seniority. Unscheduled principal collections may still be reinvested for another two years, but the WAL (weighted average life) of the new asset can not be longer than the WAL of the assets that it replaces and all tests have to be in compliance.

At the time of inclusion, new loans must comply with both the specific eligibility criteria for individual assets and the portfolio criteria (see *Portfolio Guidelines* table below). If any of the portfolio criteria is breached prior to the inclusion of a new asset, the purchase of such asset must maintain or improve that specific portfolio criterion. Deutsche Bank, in its role as collateral administrator, will monitor compliance prior to the inclusion of new assets, which may occur between payment dates (this would require recalculation of the OC test). The portfolio criteria are designed to limit the issuer's exposure to certain risks while allowing some flexibility in areas in which the investment adviser has expertise.

## Portfolio Guidelines

Minimum Entity Rating for Loans	'B-'
Maximum Proportion of Senior Unsecured Loans (% of the Portfolio Notional)	5
Minimum Weighted Average Recovery Rate (Excluding Defaulted Assets)	70.0
Max per Industry (% of the Portfolio)	15
Three Largest Industries (% of the Portfolio)	35
Maximum Weighted Average Life (in Years) During the First Two Years of the Transaction	8
Maximum Weighted Average Life (in Years) at the End of the Reinvestment Period	7

Source: HM4 Offering Circular

The maximum weighted average rating ("WAR") is subject to the minimum weighted average spread, as shown in the following table.

## WA Rating/WA Spread Guideline

WA Spread (bps)	200	215	225	235	245
WAR*	21.5	23	25	26.5	27.5

\* Excluding defaulted assets  
Source: HM4 Offering Circular

The maximum WAL for the portfolio should not exceed eight years during the first two years of the transaction, stepping down to seven years at the end of the reinvestment period.

### ■ Collateral Manager

Harbourmaster is a Dublin-based company focusing solely on the management of the Harbourmaster programme. The company was established in 2000 and currently consists of 10 staff; seven credit professionals and three administration personnel, all dedicated to the Harbourmaster programme.

The 'CAM2' rating recently assigned to Harbourmaster is based on an ordinal rating scale between '1' and '5', with '1' being the best. For a manager to achieve a 'CAM2' rating it must demonstrate consistently strong investment performance track records that are at or above peer group averages.

The rating reflects Harbourmaster's strong commitment to the European leveraged finance CDO business, proven expertise in credit underwriting and asset selection and substantial experience in distressed debt workout. A more detailed description of the company and Fitch's CAM ratings can be found in the CDO Asset Manager Report for Harbourmaster Capital Management Ltd, dated 16 September 2004, available on [www.fitchratings.com](http://www.fitchratings.com). Moreover Fitch has published its rating criteria for CDO asset managers (see "*Rating CDO Asset Managers*", dated 13 February 2004)

### Replacement of the Manager

Harbourmaster, as the manager, could be replaced at the request of 75% of the Controlling Class (based on an aggregate balance of all outstanding notes) without cause, or "cause for" at the request of 50% of the Controlling Class, subject to the appointment of a successor.

Among others, a "cause for" replacement would include any of the key personnel (as defined in the Offering Circular) ceasing to be involved in the managerial activities of Harbourmaster without the appointment of a suitable replacement.

### ■ Structural Protection

In addition to the protection provided by subordination, the noteholders benefit from structural protection mechanisms that allows interest

proceeds (including excess spread) to be used to redeem the rated notes and make up any principal losses in the collateral portfolio.

The structural protection is based on OC and interest coverage ("IC") tests, which are described in more detail under *Financial Covenants*. The structure includes an OC test for each tranche of notes, calculated by dividing the aggregate value of the assets (par value plus principal collection amounts) by the outstanding amount of the relevant tranche plus outstanding amounts of any senior-ranking tranche. Defaulted assets are accounted for at the lower of their market value and the recovery amount (asset-specific recovery rates multiplied by the par value).

The class A1 and A2 notes also benefit from an IC test that monitors whether expected interest due from the collateral (plus interest on the various accounts) will be sufficient to cover interest due on the class A1 and A2 notes.

In the event that the OC or IC tests are not satisfied, the issuer must use interest and principal proceeds (to the extent of the shortfall) to pay down the outstanding notes in order of priority until such tests are in compliance again. For example, a breach of the class B2 OC test would redirect interest and principal proceeds from funds remaining after the payment of deferred interest on the class B2 notes in the interest and principal waterfalls, up to the amount necessary to satisfy the test.

The calculation of the OC test takes into account discounted assets (see definition of discounted assets in *Financial Covenants* on page 6), which are taken at their purchase price. This ensures that the OC test more accurately reflects the actual value of the collateral portfolio.

For the purpose of calculating the class A1/A2 OC ratio, the proportion of assets on which the loan rating (as opposed to the issuer rating) is 'CCC+' and below in excess of 7.5% of the portfolio is accounted for at the lower of the market value and the recovery amount. Please note that for secured loans, the loan rating is usually higher than the issuer rating. For the remaining OC tests, 'CCC' assets are taken at par value.

Finally, the structure also includes an additional coverage test, calculated in the same way as the class B2 OC test but ranking junior to the latter, which would be breached first. This test will redirect interest proceeds only, to be reinvested in additional

## Financial Covenants

### *Par Coverage Amount*

Par Value of the Assets (excluding the par value of discounted assets; the par value of defaulted assets and (in the case of the A2 OC test only) the Excess 'CCC' par value)

+ For discounted assets the product of (i) the purchase price and (ii) the par value

+ for defaulted assets the lower of the market value and the product of (i) the Recovery Rate and (ii) the par value

+ (in the case of the A2 OC test only) for the excess 'CCC' proportion the lower of the (i) the market value and (ii) the product of the par value and the weighted average Recovery rate

### *Discounted Assets*

Any assets for which the purchase price at the time of acquisition by the issuer was less than 90% of par and for which the average market value over the last 30 days prior to the determination date is less than 95% of par

### *Excess CCC Proportion*

The proportion of assets in excess of 7.5% of the portfolio notional for which the loan rating is 'CCC+' or below. Note that the loan rating for senior secured loans is generally higher than the issuer rating.

### *Interest Coverage Numerator*

The interest received plus interest due but unpaid on the next payment date

+ any payments due to the issuer under the interest rate hedge agreement

- amounts due as fees and expenses (including the senior management fee)

- amounts due by the issuer to the counterparty under the interest rate hedge agreement

### *Additional Coverage Test*

Ranks after the class B2 OC test in the interest waterfall. This test will redirect interest proceeds only, to be reinvested in additional collateral during the reinvestment period (65% of the available funds) and to accelerate the redemption of the class B2 notes (35%). After the reinvestment period, 65% of the available funds will be used to redeem the notes in order of seniority and 35% to accelerate the redemption of the class B2 notes.

## Overcollateralisation Test

	<b>Trigger Value (%)</b>	<b>Definition</b>
Class A2	112	Par Coverage Amount divided by the sum of the class A1, A2 Notional
Class A3	107	Par Coverage Amount divided by the sum of the class A1, A2, A3 Notional
Class A4	104	Par Coverage Amount divided by the sum of the class A1, A2, A3, A4 Notional
Class B1	102	Par Coverage Amount divided by the sum of the class A1, A2, A3, A4, B1 Notional
Class B2	101	Par Coverage Amount divided by the sum of the class A1, A2, A3, A4, B1, B2 Notional

### **Interest Coverage Test**

Class A IC test	115	Interest Coverage Numerator divided by the Interest due to class A1 and A2 notes on the following payment date
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### **Additional Coverage Test**

Add OC test	103	Par Coverage Amount divided by the sum of the class A1, A2, A3, A4, B1, B2 Notional
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Source: HM4 Offering Circular

collateral during the reinvestment period (65% of the available funds) and to accelerate redemption of the class B2 notes (35%). After the reinvestment period, 65% of the available funds will be used to redeem the notes in order of seniority and 35% to accelerate the redemption of the class B2 notes.

## ■ Credit Analysis

The credit analysis followed a two step process. In the first step the Fitch Default VECTOR model ("VECTOR") was run to determine the hurdle default rates for each rating level. The model was run on a hypothetical worst-case portfolio, which was created according to the portfolio eligibility criteria.

In the second step, the structural protection (OC and IC tests) and excess spread were analysed in a custom-built cash flow model. The resulting break-even default rates (which show the maximum default rate a tranche could withstand without loss) for each tranche and rating level were compared to the hurdle rates produced by VECTOR. For a tranche to pass, the hurdle rate had to be below the break-even default rate.

### Fitch Default VECTOR Model

VECTOR is Fitch's main quantitative portfolio analysis tool. The model simulates the joint default behaviour for a portfolio of credit exposures, taking into account an asset's specific default probability ("DP") and asset correlation. The underlying methodology is based on the structural form model,

which holds that a company defaults if the value of its assets falls below the value of its liabilities. The DP, which is used to compute the default threshold for each asset, is derived from the issuer rating and historical default studies. Asset correlations are based on equity studies performed by Fitch. (see “*Global Rating Criteria for Collateralised Debt Obligations*”, dated 13 September 2004 and available on [www.fitchratings.com](http://www.fitchratings.com))

The issuer ratings for the individual assets are provided by Fitch’s European Leveraged Finance Group, which will analyse each loan prior to its inclusion in the portfolio. ELF will also provide specific recovery rate assumptions for each asset.

A specific worst-case portfolio was created for each WAR/ WA spread combination (see *Collateral*) as defined by the portfolio criteria, which were run through the VECTOR model.

Fitch has given credit for Harbourmaster’s strong credit underwriting and workout experience, as reflected in the recently assigned asset manager rating of ‘CAM2’ (see *Collateral Manager*). This was factored into the analysis by reducing the RDR produced by VECTOR as follows.

### Credit for CAM2 Asset Manager Rating

Notes Rating	RDR Reduction (%)
AAA	2.5
AA	4.0
A	5.0
BBB	8.0
BB	12.0

Source: Fitch

For example, if the RDR is 30% at the ‘AAA’ level, the reduction would be applied as follows;

$$30\% \times (1 - 2.5\%) = 29.25\%$$

The following table gives Fitch’s hurdle default rates for each tranche and each WAR/WA spread combination. For example for tranche A, the RDR ranges from 48.3% to 55.3%.

### RDR Hurdle Rates

(%)	Depends on WAR/WA Spread Combination
AAA	48.3-55.3
AA	43.6-50.8
A	39.9-46.9
BBB	34.0-40.5
BB	26.5-32.6

Source: Fitch

### Cash Flow Analysis

Fitch has adapted its cash flow model to reflect the specific structural protection provided in this transaction (see *Structural Protection*). The model was run for different default times and interest rate stresses, as described in Fitch’s “*Global Rating Criteria for Collateralised Debt Obligations*”, dated 13 September 2004 and available on [www.fitchratings.com](http://www.fitchratings.com)) Recoveries were assumed to be realised 30 months after default.

In total, six scenarios were run for each of the five hypothetical portfolios in respect of WAR/WA spread.

The analysis showed that the protection provided for each of the tranches would be sufficient to withstand the default hurdles/losses produced by the VECTOR model for the individual rating assigned to each tranche.

### ■ Performance Analytics

Fitch will monitor the transaction on a regular basis and as warranted by events. Its structured finance Performance Analytics team ensures that the assigned ratings remain, in the agency’s view, an appropriate reflection of the issued notes’ credit risk.

Details of the transaction’s performance are available to subscribers at [www.fitchresearch.com](http://www.fitchresearch.com). Further information on this service is available at [www.fitchratings.com](http://www.fitchratings.com).

Please call the Fitch analysts listed on the first page of this report for any queries regarding the initial analysis or the ongoing surveillance.

## ■ Harbourmaster CLO 4 B.V.

Netherlands/CDO

### Capital Structure – Total Issuance EUR474m

Class	Rating	Size (EURm)	CE (%)	PMT Freq	Basis	Spread/Coupon	1st IPD	Maturity
A1	AAA <sup>1</sup>	337.0	32.6	Qtrly	Euro Floater	EURIBOR3m + 0.34%	Apr 2005	Oct 2019
A2E	AAA <sup>1</sup>	28.0	27.0	Qtrly	Euro Floater	EURIBOR3m + 0.50%	Apr 2005	Oct 2019
A2F	AAA <sup>1</sup>	40.0	19.0	Qtrly	Euro Fixed	4.3980%	Apr 2005	Oct 2019
A3	AA	32.0	12.6	Qtrly	Euro Floater	EURIBOR3m + 0.70%	Apr 2005	Oct 2019
A4	A	16.0	9.4	Qtrly	Euro Floater	EURIBOR3m + 1.25%	Apr 2005	Oct 2019
B1	BBB	11.0	7.2	Qtrly	Euro Floater	EURIBOR3m + 2.50%	Apr 2005	Oct 2019
B2E	BB	4.0	5.2	Qtrly	Euro Floater	EURIBOR3m + 7.00%	Apr 2005	Oct 2019
B2F	BB	6.0	5.2	Qtrly	Euro Fixed	10.9080%	Apr 2005	Oct 2019

<sup>1</sup> Timely payment of interest rating

### Key Information

<b>Purpose</b>	Arbitrage	<b>Account Bank</b>	Deutsche Bank AG London (rated 'AA-/F1+')
<b>Location of Assets</b>	Europe, US	<b>Lead Manager</b>	Bear Stearns Financial Products
<b>Portfolio Composition</b>	Senior secured loans	<b>Asset Manager</b>	Harbourmaster Capital Limited
<b>Location of SPV</b>	Ireland	<b>Trustee</b>	Deutsche Trustee Company Limited
<b>Asset Manager Rating</b>	CAM2	<b>Hedge Counterparty</b>	Bear Stearns Financial Products
<b>Primary Analyst</b>	euan.gatfield@fitchratings.com	<b>Collateral Administrator</b>	Deutsche Bank AG London
<b>Secondary Analyst</b>	matthias.neugebauer@fitchratings.com	<b>Issuer</b>	Harbourmaster CLO 4 B.V.
<b>Performance Analyst</b>	andrew.higham@fitchratings.com	<b>Credit Enhancement Type</b>	Subordination

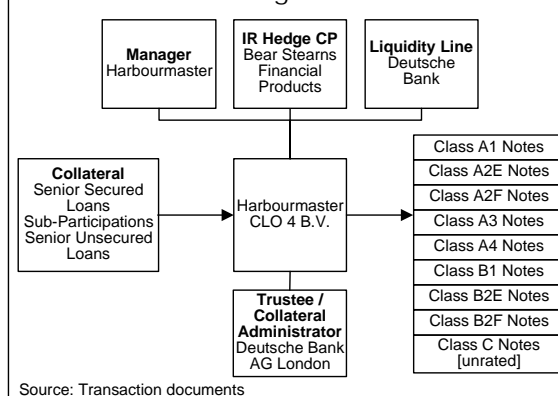
### Closing Portfolio

<b>Size</b>	EUR300.5million	<b>Main Regional Concentrations</b>	Germany (32.60%) Netherlands (17.49%) France (14.49%)
<b>Number of Loans</b>	63	<b>Main Industry Concentrations</b>	Broadcasting/Media/Cable(15.48%) Food, Beverage, & Tobacco(11.53%) Telecommunications(10.32%)
<b>Weighted Average Life</b>	6.9 years		
<b>Weighted Average Rating</b>	'B+(B plus)/B'		
<b>Weighted Average Rating Factor</b>	24.83		

### Structural Information

<b>A2 OC Test</b>	112%
<b>A3 OC Test</b>	107%
<b>A4 OC Test</b>	104%
<b>B1 OC Test</b>	102%
<b>B2 OC Test</b>	101%
<b>Additional Coverage</b>	103%
<b>A IC Test</b>	115%
<b>Liquidity Facility</b>	364 day revolving
<b>Closing Date</b>	<b>28<sup>th</sup> October 2004</b>
<b>Min Rating</b>	B-
<b>Effective Date</b>	At latest, approximately 270 days from Closing Date

### Basic Structure Diagram



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