


# Luxury Car Leasing Portfolio

## June 2022 Investment Update

Performance Status

**PERFORMING**



### KEY TAKEAWAYS

- ➔ Borrower shows extremely positive Year-over-Year growth in revenue and profit metrics, with both top and bottom line more than doubling from 2020 to 2021. Collateralization levels remain high, with a total Loan to Value (LTV) ratio of 71.0% in April, assuming Wholesale auto prices.
- ➔ Underlying auto leases continue to perform within expectations. The percentage of lease payments that are 30 days or more past due was 4.1% in April, below market levels.
- ➔ Payments are expected to continue to be distributed to investors on a monthly basis looking forward.

### INVESTMENT DESCRIPTION


The Offering owns a \$10M first priority loan secured by all assets of a US-based luxury car leasing company that provides specialty auto lease financing for customers wanting to own high-end, new and used, luxury vehicles from brands such as Ferrari, Lamborghini, Porsche, Bentley, McLaren, and others. This loan represents a direct underwriting by the Yieldstreet Private Credit management team.

#### ➔ Investment Thesis

The investment represents a direct lending transaction originated by Yieldstreet and is secured by a first lien on individual leases for luxury automobiles. These leases serve as the underlying collateral pool, enabling buffers to potential defaults and resulting losses given underlying asset diversification across geographies and borrower profiles.


Investment Strategy

**INCOME**




Sub-Strategy

**DEBT**




Asset Class

**PRIVATE CREDIT**



Sub-Asset Class

**CONSUMER**



**\$8M**  
Offering size

**JUL - 2023**  
Target term<sup>1</sup>

**8.5%**  
Target return<sup>1</sup>

**MONTHLY**  
Payment schedule

**YIELDSTREET**  
Originator



## PERFORMANCE UPDATE

Investment continues to perform within expectations, with the underlying lease portfolio showing resilient health, and experiencing low levels of payment delinquency. The current Wholesale value of the underlying assets produces a total Loan to Value (LTV) of 71.0%, which has benefited from inflation related price increases on used cars and trucks (23.0% year/year increase in CPI as of April). However, even after normalizing for this change, the LTV remains below 100% at 92.0% demonstrating strong collateral support even as price levels continue to normalize. Consumer demand for luxury automobiles remains strong, with limited supply available given supply chain snarls.

## LOOKING AHEAD

The investment is expected to be repaid in full and achieve the target annualized yield by its expected maturity in Q3 2023. Given the performance and growth of the underlying company, coupled with current market conditions, there may be pre-payments related to this transaction, as the borrower seeks to reposition their balance sheet.

## MARKET INSIGHTS

Consumer spending rose by a seasonally adjusted 0.9% in April, with motor vehicles and parts up 4.2% month over month. Prices for used cars and trucks fell 0.4% in April from the previous month. This is the third month of price declines for used cars, which fell 3.8% month-over-month in March and 0.2% in Feb.

Source: [Bureau of Economic Analysis - Personal Consumption Expenditures](#)

Source: [Bureau of Labor Statistics via Barrons](#)

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