



GLOBAL INVESTMENTS  
LIMITED

# Current Asset Review

Period ended 31 December 2009

# OPERATING LEASE ASSETS



# BABCOCK & BROWN AIR LIMITED (B&B AIR)

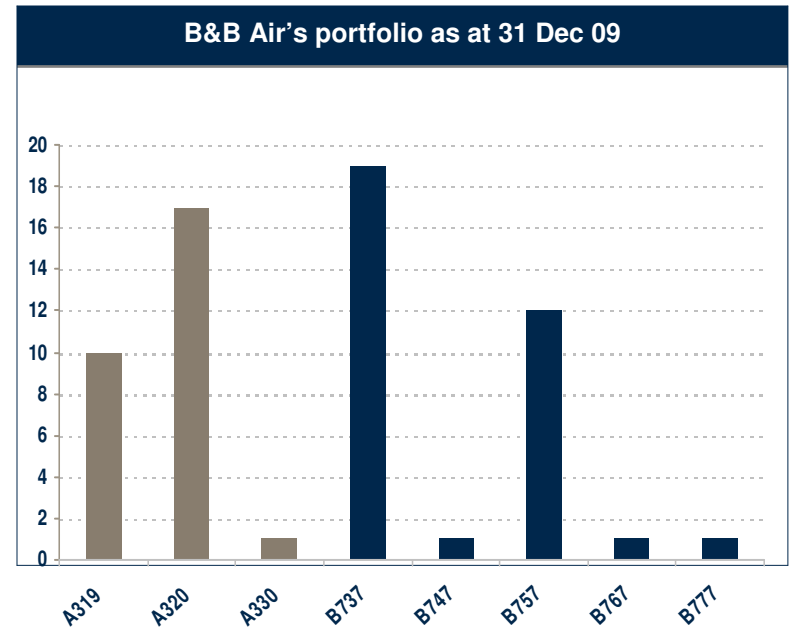
- GIL owns 1,051,010 shares (or 3.5%) in B&B Air
- Global lessor with fleet of 62 modern, fuel-efficient commercial aircraft on lease globally, with geographic diversity with approximately 36 lessees worldwide as at 31 Dec 09
- Average age of fleet approx 7.2 years with 4.9 years weighted average lease term
- Q409 dividend of US\$0.16 per share (net of withholding tax) to be received in February 2010
- The outlook for the industry remains challenging as aircraft values and lease rates remain depressed due to tight credit conditions and unfavourable aircraft supply environment

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value <sup>1</sup></b>	US\$9.4m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	Nil – share price decline recorded through equity

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

#### Analyst coverage for B&B Air:

Analyst	Rating	Target Price	As Of
JPMorgan	Neutral	US\$10.50	4 Nov 2009
Jefferies & Co	Buy	US\$11.00	4 Nov 2009
Citigroup	Buy	US\$8.90	6 Aug 2009
Merrill Lynch	Buy	US\$9.50	6 Aug 2009



# BABCOCK & BROWN AIRCRAFT LESSOR NO.2

- GIL owns 2 Boeing 757-200 aircraft leased to Thomson Airways Limited which is wholly owned by TUI Travel PLC listed on London Stock Exchange
- Long term lease until end April 2013
- Fixed lease rentals and fixed debt costs
- Current asset prices have again fallen as the value of 757-200 aircraft continues to be pressured due to weak airline traffic (airlines have reduced fleet sizes and cut travel routes) as well as unfavorable aircraft supply conditions

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value <sup>1</sup></b>	US\$26.6m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	Nil
Aircraft lease details	
<b>Purchase Price of Aircraft <sup>2</sup></b>	US\$14.7 m each
<b>Aircraft Type</b>	Boeing 757-200
<b>Manufacture Date</b>	1993
<b>Lease maturity Date</b>	30 April 2013
<b>Lease rate</b>	US\$160,000 per month per aircraft

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

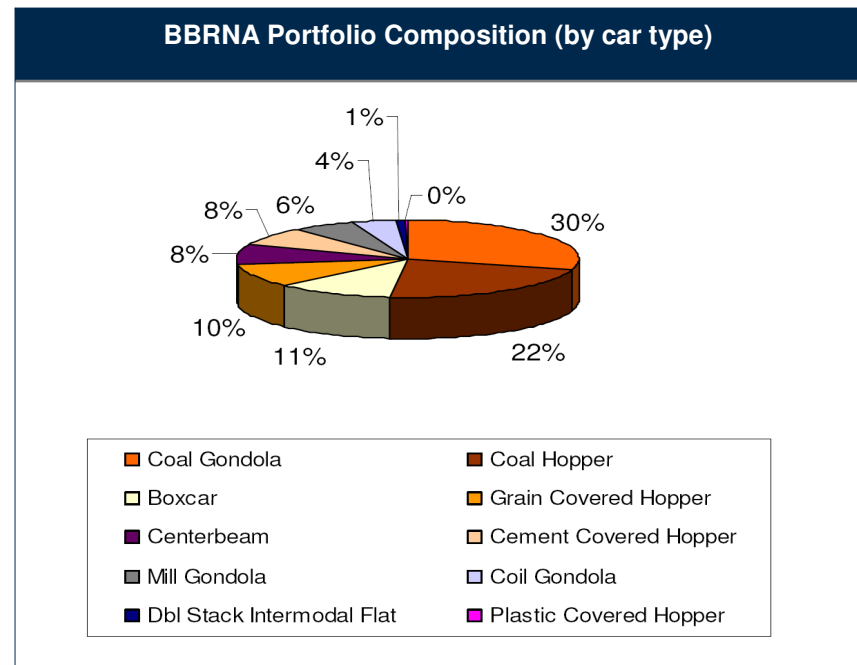
<sup>2</sup> Excludes acquisition costs

# BABCOCK & BROWN RAIL NORTH AMERICA (BBRNA)

- BBRNA is a U.S. limited liability company formed to aggregate a number of North American railcar investments managed or owned by Babcock and Brown Group
- GIL has a 41.5% interest in BBRNA which currently owns a portfolio of railcars on lease in North America
- Average age of railcars is relatively young at approximately 7.7 years
- The average remaining lease term is 1.65 years. 38% of rail cars expected to come off lease through 2010 and the re-lease rates are well below the previous lease rates. This is likely to lead to materially less cash flow available to meet scheduled payments
- Dec 09 desktop valuations of the combined BBRNA portfolio declined by more than 13% against the Dec 08 valuations
- Some of BBRNA subsidiaries are unable to meet their debt obligations. BBRNA itself is in negative equity
- Distribution income suspended indefinitely due to refinancing issues and challenging railcar business conditions

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value <sup>1</sup></b>	0
Quarter ended 31 Dec 09	
<b>Impairment:</b>	Nil

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

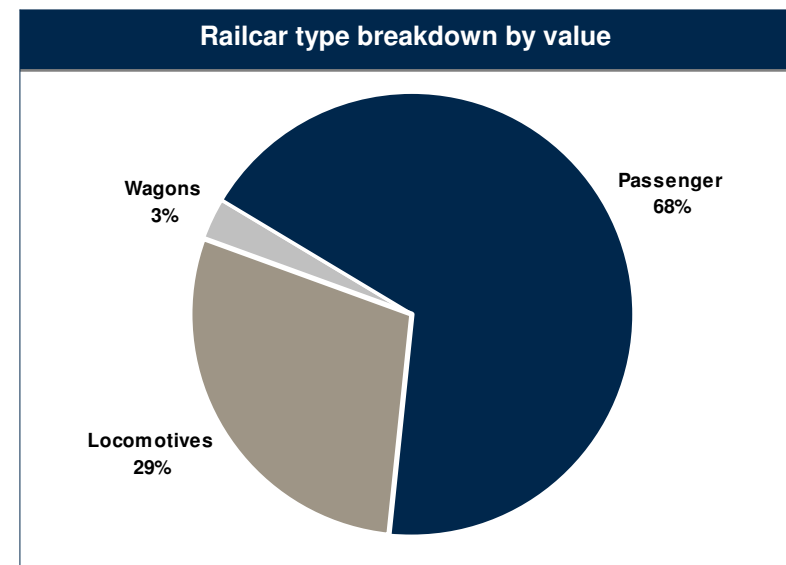


# BABCOCK & BROWN RAIL INVESTMENTS (BBRIL)

- GIL has a 35% equity interest in Babcock & Brown Rail Investments Limited (“BBRIL”)
- BBRIL owns CBRail Leasing S.à.r.l (“CBRLS”), an operating lessor with portfolio of 3 passenger train fleets, over 30 locomotives and 100 freight wagons in mainland Europe
- Fleet operated by both public and private sectors
- The portfolio is 93% leased with an expected 38% of the portfolio leases ending in the next six months as at 31 January 2010. No significant arrears as at 31 January 2010
- Demand for leasing of locomotives and freight cars is expected to be low as general economic conditions remain weak
- BBRIL remains in negative equity

KEY INFORMATION	
As at 31 Dec 09	
Carrying Value <sup>1</sup>	0
Quarter ended 31 Dec 09	
Impairment:	Nil

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal



# LOAN PORTFOLIO & SECURITISATION ASSETS



# PEPPER RESIDENTIAL SECURITIES TRUST NO.5

- GIL is invested in the Class E Note of Pepper Residential Securities Trust No.5, which owns Australian non-conforming residential mortgage loans originated by Pepper Homeloans Pty Limited
- Performance of the collateral declined over the quarter as losses increased and were higher than expectations. However, the losses of approximately A\$502k over the quarter were fully absorbed by excess spread
- The average pre-payment rate declined from 39% in the third quarter to 34% while the 30+ days arrears increased from 9.22% to 9.68% over the same period
- The Excess Reserve Account increased in line with expectations to approximately A\$2.13m. The excess reserve provides support to the capital structure

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value</b> <sup>1</sup>	A\$5.03m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	Nil
Portfolio as at 31 Dec 09	
<b>No. of Loans</b>	418
<b>Average Loan Size</b>	A\$226,856
<b>Weighted Average LVR</b>	68.69%
<b>Weighted Average Seasoning</b>	45.82 months

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

Capital Structure as at 15 Jan 10 <sup>2</sup>			
Notes	Initial Rating (S&P/Moody's)	Current Rating (S&P/Moody's)	Outstanding Amount (A\$m)
Class A1 Notes (Snr)	AAA/Aaa	AAA/Aaa	53.4
Class A2 Notes (Mezz)	AAA/Aaa	AAA/Aaa	10.5
Class A3 Notes (Jnr)	AAA/Aa1	AAA/Aaa	6.6
Class B Notes	A+/A2	AA/A1	9.3
Class C Notes	BBB/Baa2	BBB+/Baa2	8.9
<b>Class E Notes</b>	<b>Not Rated</b>	<b>Not Rated</b>	<b>5.0</b>
Class M2 Notes	Not Rated	Not Rated	0.6

<sup>2</sup> 15 day lag between collateral receipts and payments to capital structure

# PEPPER RESIDENTIAL SECURITIES TRUST NO.6

- GIL is invested in the Class E Note of Pepper Residential Securities Trust No.6, which owns Australian non-conforming residential mortgage loans originated by Pepper Homeloans Pty Limited.
- The collateral performed in line with expectations for the quarter
- Losses of approximately A\$449k over the quarter were fully absorbed by excess spread
- The average pre-payment rate improved from 23.5% in the third quarter to 41.7% while the 30+ days arrears decreased marginally from 8.12% to 8% over the same period
- The Excess Reserve Account increased to approximately A\$3.17m but remained below expectations. The excess reserve provides support to the capital structure

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value <sup>1</sup></b>	A\$8.20m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	Nil
Portfolio as at 31 Dec 09	
<b>No. of Loans</b>	945
<b>Average Loan Size</b>	A\$249,428
<b>Weighted Average LVR</b>	68.56%
<b>Weighted Average Seasoning</b>	38.82 months

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

Capital Structure as at 15 Jan 10 <sup>2</sup>			
Notes	Initial Rating S&P/Moody's	Current Rating S&P/Moody's	Outstanding Amount (A\$m)
Class A1 Notes (Snr)	AAA/Aaa	AAA/Aaa	145.9
Class A2 Notes (Mezz)	AAA/Aaa	AAA/Aaa	29.2
Class A3 Notes (Jnr)	AAA/Aa1	AAA/Aa1	17.2
Class B Notes	A+/A2	AA/A2	16.9
Class C Notes	BBB/Baa2	BBB+/Baa2	16.4
<b>Class E Notes</b>	<b>Not Rated</b>	<b>Not Rated</b>	<b>8.1</b>

<sup>2</sup> 15 day lag between collateral receipts and payments to capital structure

# SEIZA SERIES 2006-1 TRUST (WAREHOUSE)

- GIL is invested in the Class F Note, Class G Note and Senior NIM Note of Seiza Series 2006-1 Trust, which owns Australian non-conforming residential and commercial property mortgage loans originated by Seiza Mortgage Company Pty Limited
- The Senior NIM Note depends on available excess spread
- The Senior NIM Note did not receive cash flow on November and December payment dates. Under the restructured waterfall which was effective from November 2009, the Senior NIM Note is not expected to receive cash flow until the aggregate amount received by the Junior NIM Noteholders and the Originator is above a certain threshold
- The performance of the collateral remains poor as losses increased over the quarter. Loss expectations over the next twelve months is also significant
- Losses of approximately A\$4.3m over the quarter were absorbed by excess spread
- The average pre-payment rate declined from 38.3% in the third quarter to 35.6% while the 30+ days arrears increased from 10.92% to 10.99% over the same period

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value</b> <sup>1</sup>	A\$31.38m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	A\$8.64m
Portfolio as at 31 Dec 09	
<b>No. of Loans</b>	966
<b>Average Loan Size</b>	A\$464,590
<b>Weighted Average LVR</b>	81.81%
<b>Weighted Average Seasoning</b>	29.19 months

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

Capital Structure as at 7 Jan 10 <sup>2</sup>			
Notes	Initial Rating (S&P)	Current Rating (S&P)	Outstanding Amount (A\$m)
Class A Notes	AAA	NA <sup>3</sup>	258.6
Class B Notes	AA	NA <sup>3</sup>	38.3
Class C Notes	A	NA <sup>3</sup>	60.0
Class D Notes	BBB	NA <sup>3</sup>	33.4
Class E Notes	BB	NA <sup>3</sup>	15.8
<b>Class F Notes</b>	<b>B</b>	<b>NA <sup>3</sup></b>	<b>10.8</b>
<b>Class G Notes</b>	<b>Not Rated</b>	<b>Not Rated</b>	<b>26.0</b>
<b>Senior NIM Notes</b>	<b>Not Rated</b>	<b>Not Rated</b>	<b>8.9</b>
Junior NIM Notes	Not Rated	Not Rated	8.6

<sup>2</sup> 7 day lag between collateral receipts and payments to capital structure

<sup>3</sup> As this is a private transaction, subsequent changes in ratings are not disclosed



GLOBAL INVESTMENTS LIMITED

# SEIZA AUGUSTUS SERIES 2007-1 TRUST

- GIL is invested in the Class G Note and Class N Note of Seiza Augustus Series 2007-1 Trust, which owns Australian non-conforming residential and commercial property mortgage loans originated by Seiza Mortgage Company Pty Limited
- The Class G Note has received interest in January 2010 due to recoveries from the disposal of properties of written-off loans. Going forward, interest payment will depend on the timing of the disposal of properties that are in arrears by more than 300 days
- The performance of the collateral improved over the quarter as losses decreased. Loss expectation over the next twelve months has also decreased
- Losses of approximately A\$1.44m over the quarter were absorbed by excess spread
- The average pre-payment rate improved from 32% in the third quarter to 40.6% while the 30+ days arrears decreased from 22.49% to 13.97% over the same period

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value <sup>1</sup></b>	A\$2.88m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	Nil
Portfolio as at 20 Dec 09	
<b>No. of Loans</b>	219
<b>Average Loan Size</b>	A\$563,258
<b>Weighted Average LVR</b>	80.12%
<b>Weighted Average Seasoning</b>	39.14 months

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

Capital Structure as at 28 Dec 09 <sup>2</sup>			
Notes	Initial Rating (S&P/Moody's/Fitch)	Current Rating (S&P/Moody's/Fitch)	Outstanding Amount (A\$m)
Class A Notes	AAA/Aaa/AAA	AAA/Aaa/AAA	37.8
Class B Notes	AA/Aa2/AA	AA/Aa2/AA	20.2
Class C Notes	A/Not Rated/A	BBB+/Not Rated/A	21.9
Class D Notes	BBB/Not Rated/BBB	B-/Not Rated/B	19.0
Class E Notes	BB/Not Rated/Not Rated	CCC-/Not Rated/Not Rated	8.1
Class F Notes	B/Not Rated/Not Rated	D/Not Rated/Not Rated	4.1
<b>Class G Notes</b>	<b>Not Rated</b>	<b>Not Rated</b>	<b>10.3</b>
Class M Notes	A/Not Rated/Not Rated	BBB+/Not Rated/Not Rated	2.7
<b>Class N Notes</b>	<b>Not Rated</b>	<b>Not Rated</b>	<b>4.1</b>

<sup>2</sup> 8 day lag between collateral receipts and payments to capital structure

# PROVIDENT CASHFLOW LIMITED (PCL)

- GIL has a revolving purchase facility to PCL, where GIL purchases loan receivables originated by PCL
- GIL's current commitment amount is A\$7m and is scheduled to be nil on 15th June 2010
- Outstanding loan book has remained the same over the last two quarters at A\$4.2m. However, loans in arrears have increased over the quarter
- The credit insurer sought to terminate the insurance contract with PCL in December 2009. In addition, the insurer is disputing some of the claims made by PCL since late 2008
- Due to the uncertainty surrounding the insurance coverage for this investment, the deterioration of the performance of the loans, as well as limited recovery prospects if PCL defaults, it is expected that the invested principal will not be returned in full
- An impairment of A\$ 3.5m is made against GIL's investment in PCL in this quarter

KEY INFORMATION	
<b>As at 31 Dec 09</b>	
<b>Carrying Value <sup>1</sup></b>	A\$ 0.7m
<b>Quarter ended 31 Dec 09</b>	
<b>Impairment</b>	A\$ 3.5 m
<b>Portfolio as at 31 Dec 09</b>	
<b>No. of Obligors</b>	15
<b>Average Loan Size</b>	A\$ 269,207

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

# AVOCA VI CLO INVESTMENT

- GIL has invested in Class M subordinated notes secured against European senior secured and second lien loans which were issued by Avoca VI CLO plc and managed by Avoca Capital Holdings (“Avoca”)
- Defaults are still expected over the next 12 months due to still weak credit fundamentals and challenging capital market conditions in the European leveraged loan market
- There is a risk that coupons to the Class M subordinated notes may be suspended in the short to mid term due to ratings downgrades in the underlying portfolio
- For the period ended January 2010, Avoca VI Class M received payment of €177k, or a coupon payment of 4.4%

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value <sup>1</sup></b>	€0.80m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	Nil (partial reversal in 4Q09)
Portfolio as at 31 Dec 09	
<b>Portfolio Par Value</b>	€ 491.88m
<b>No. of Obligors</b>	70
<b>Loan Type</b>	Majority senior secured

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

Capital Structure as at 31 Dec 09			
Note	Initial Rating (S&P/Fitch)	Current Rating (S&P/Fitch)	Outstanding Amount (€m)
Class A1	AAA/ AAA	AAA*-/ AAA	301.5
Class A2	AAA/ AAA	AAA*-/ AAA	64.0
Class B	AA/ AA	AA*-/ AA	19.4
Class C	A/ A	A*-/ A	31.5
Class D	BBB/ BBB	BBB*-/ BBB	20.0
Class E	BB/ BB	BB*-/ B+	23.9
Class F	B/ B	B*-/ B-	10.0
<b>Class M</b>	<b>NR/ NR</b>	<b>NR/ NR</b>	<b>37.8</b>

# AVOCA VII CLO INVESTMENT

- GIL invested in Class F and G subordinated notes secured against European senior secured, second lien and mezzanine loans which were issued by Avoca VII CLO plc and managed by Avoca
- Defaults are still expected over the next 12 months due to still weak credit fundamentals and challenging capital market conditions in the European leveraged loan market
- There is a high risk that coupons to the Class G subordinated notes may be suspended in the short to mid term due to ratings downgrades in the underlying portfolio
- Class F received its full coupon payment amounting to €227k while Class G received a coupon payment of €225k in November 09

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value <sup>1</sup></b>	€4.6 m
Quarter ended 31 Dec 09	
<b>Impairment:</b>	€1.94 m
Portfolio as at 31 Dec 09	
<b>Portfolio Par Value</b>	€680.75 m
<b>No. of Obligors</b>	70
<b>Loan Type</b>	Majority senior secured

<sup>1</sup> The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal

Capital Structure as at 31 Dec 09			
Note	Initial Rating (S&P/Fitch)	Current Rating (S&P/Fitch)	Outstanding Amount (€m)
Class A1	AAA/ AAA	AAA*-/ AAA	284.0
Class A2	AAA/ AAA	AAA*-/ AAA	62.5
Class A3	AAA/ AAA	AAA*-/ AAA	145.0
Class B	AA/ AA	AA*-/ AA	48.5
Class C	A/ A	A*-/ A	46.5
Class D	BBB/ BBB	BBB*-/ BBB	31.5
Class E	BB/ BB	BB*-/ B	31.0
<b>Class F</b>	<b>B/ B</b>	<b>B*-/ CCC</b>	<b>14.0</b>
<b>Class G</b>	<b>NR/ NR</b>	<b>NR/ NR</b>	<b>48.0</b>

# MORTGAGES PLC SECURITISATION INVESTMENT

- GIL has invested in 50% Mortgage Early Repayment Certificates (MERC) and Residual Certificates issued by Newgate Funding 2006-3 plc, a securitisation entity of Mortgages plc
- GIL's notes are secured against a portfolio of registered first mortgages over UK residential property
- Cumulative loss is higher than expected due to the difficult UK market conditions. Arrears rates have improved slightly but it is anticipated to continue to remain at an elevated level over the medium term
- Approximately £ 1k has been received for MERC in February 2010 and no further cash flows are expected
- No cash flow is expected to be received for the Residual Certificates in the foreseeable future

KEY INFORMATION	
As at 31 Dec 09	
<b>Carrying Value</b>	0
Quarter ended 31 Dec 09	
<b>Impairment:</b>	£ 0.01m
Portfolio as at 2 Nov 09	
<b>No. of Loans</b>	3,696
<b>Average Loan Size</b>	£106,674
<b>Weighted Average LVR</b>	80.27%
<b>Seasoning</b>	39.12 months

Capital Structure as at 31 Dec 09			
Note	Initial Rating (S&P/Fitch)	Current Rating (S&P/Fitch)	Outstanding Amount (€m)
Class A & M	AAA/ AAA	AAA/ AAA	308.5
Class B	AA/ AA	AA-/ A	39.5
Class C	A/ A	BBB/ BB	24.7
Class D	BBB/ BBB	BB-/ B	15.6
Class E	BB/ BB	B/ CCC	5.9
Class T	BBB/ BBB	B/ CC	4.1
Class Q	BBB/ BBB	CCC/ C	6.5
<b>MERC</b>	<b>N/R</b>	<b>N/R</b>	<b>All prepayment penalties</b>
<b>Residual</b>	<b>N/R</b>	<b>N/R</b>	<b>All excess spread after repayment to T &amp; Q notes</b>