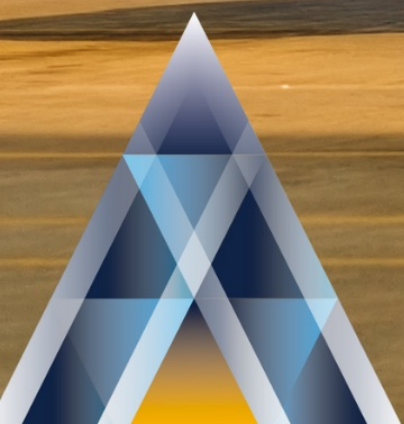


GIVING YOU
CLEAR
VISIBILITY



Valuation
&
Advisory Services



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If there are any topics or points, covered within, you wish to discuss in more detail, or you are interested in more information, please contact us at
connect@acumen.aero

Valuation and advisory services

Seeking the appropriate level of advice and expertise, when one is wishing to value either owned

or prospective assets, is a key ingredient in achieving an accurate and tailored assessment.

Given that asset portfolios are commonly worth multimillion dollars, it is important that the selected team is attentive so as to both, understand what the client is wishing to achieve, and offer the most appropriate approach based on this mutually agreed understanding. Our appraisers (ISTAT & ASA) and analysts are suitably knowledgeable and equipped to correctly interpret client requirements and provide timely, in-depth assessments of asset value, risk, market intelligence, research and analysis, ensuring that your investment decisions are appropriately supported by the data.

Over the years we have successfully assisted clients, globally, and across a wide range of valuation assignments including, but not limited to, fleet valuations, ABS transactions, value diminution, part-out values, fly-forward and MR sufficiency analyses.

.....We have the necessary level of seniority, discipline, knowledge and experience to provide asset valuation services to meet client requirements.....



Meet the team

Amit Tyagi

Chief Intelligence Officer



Amit joined Acumen in 2009 and, as Chief Intelligence Officer (CIO), leverages his expertise as an **ISTAT certified senior appraiser**. This is combined with a wealth of techno- commercial experience, spanning more than two decades in the aviation sector, supporting the needs of a sophisticated and diverse clientele.

Amit is responsible for management of assets on behalf of investors and provide asset market insights, life values and risk and ownership assessment.

Prior to becoming CIO, Amit successfully held the position of Chief Technical officer at Acumen and has been a key member since inception of Acumen.

Amit has hands-on experience working with operators and holds a B.E Aeronautical (Avionics) and bachelor's degree in Science (PMC) and Basic Licence of AME including Electrical, Instruments & and Radio Navigation. Amit has completed (GMAE) General Management for Aerospace & Aviation Executives from IIM Bangalore being conducted in partnership with Toulouse Business School, France.

Ameya Gore

Chief Technical Officer - Digital



Ameya joined Acumen in 2009 and, as Chief Technical Officer (CTO) – Digital, he is responsible for the continued successful development of Acumen's digital business offering, both in terms of available products and services. Ameya has adeptly used the knowledge and experience he has gained throughout his time with Acumen to inform key decisions he and his team have needed to take in order to grow Acumen's digital footprint.

In response to Acumen's continued growth, and the fact that the level of digital activities continues to accelerate, Ameya provides the necessary dedicated leadership, focus and strategic direction to the digital business, making sure that Acumen is found ready, able and willing to meet the anticipated future digital demands made on it by the sector.

Ameya has, within his considerable tenure with Acumen, held senior positions within various departments, including technical & asset management and data management. In addition, Ameya is an **ISTAT certified senior appraiser** and is a member of the valuation team.

Ameya holds an BSc; an MBA in aerospace and aviation, and certificates in general and product management, awarded by the IIMB and Duke Corporate Education, respectively.

Yibang Wang

AVP- Technical



WANG Yibang joined Acumen in 2016. He has more than 33 years of industry experience and previously worked in Airlines and at Airbus holding several key positions during this extensive service period.

WANG Yibang is an **Accredited Member (AM) of American Society of Appraisers**.

.....Acumen's variety of valuations adhere to the ISTAT Definitions and Code of Ethics.....

Our appraisers are supported in their role by a dedicated team of skilled value and data analysts. This combination of expertise within the team helps ensure that the necessary guidance and assessment is delivered to clients promptly and, when the need arises, within the most exacting of timelines.

Our core valuation & advisory offering

Acumen's advisory offering is defined under three distinct categories. These categories are; **appraisals**, **values**, and **research** and are detailed here.

An appraisal or valuation is the process of providing an opinion on value of an asset, which Acumen defines here as an aircraft made up of its constituent parts. Aircraft transactions involve multimillion dollar deals and often require appraisals due to the unique configuration of each aircraft and the essential need for current market analysis related to a particular assignment.

It is not unusual for a client to be unsure of which valuation type is needed specifically and may ask advice as to which type of value would be required or suitable for a particular assignment.

It is, therefore, essential that the appraiser provides clear advice that will help the client make the appropriate decision as to which value to request to satisfy the needs of a specific assignment.

Acumen takes prides in ensuring this very duty is accomplished diligently. The approach taken by an appraiser, to ascertain value, is chosen based on what is best suited for the specific assignment to provide the required value opinion which is, in turn, suggested to the client.

Appraisal service methodology

Aircraft transactions often require appraisals because each aircraft is unique and requires the analyses of the particular asset model, market condition, credit analysis, maintenance history, technical specification and modification embodiments, refurbishments and upgrades irrespective of aircraft type, which are key factors in valuation.

The approach taken by an appraiser to ascertain value is chosen based on what is best suited for the specific assignment to provide the required value opinion which is, in turn suggested to the client. At the time of undertaking the assignment, appraisers engage in detailed communication with the client to fully understand their requirements and objectives. Based on those discussions and through gaining an understanding of the requirements, appraisers discern which is the most appropriate valuation methodology to deploy in order to deliver the appropriate appraised asset value.

Research

Our appraiser team is supported by a comprehensive team of market analysts. Together they are well equipped to provide bespoke reports to support an array of client assignments.

These might include market reports, airlines credit status', structuring & capital markets advisory, project reports, listed here to give an example of the typical activities we are requested to provide.

However, our team is of the necessary calibre that it will be able to support any additional research projects you may wish us to undertake for you.





Letter report

A letter report is a valuation report which typically provides requested values in a brief report, taking into account current market conditions affecting a specific aircraft or its components as well as preliminary values for such aircraft or components. It will include our value definitions, assumptions, and methodology as well as a valuation spreadsheet (if required) for the aircraft in question.



Desktop appraisal

A desktop appraisal is one which does not include any inspections of the aircraft or review of its maintenance records. It is based upon assumed aircraft conditions and maintenance status or information provided to the appraiser or from the appraiser's own database. A desktop appraisal would normally provide a value for a mid-time, mid-life aircraft.



Extended desktop appraisal

An extended desktop appraisal is one which is still characterised by the absence of any on-site inspection of the aircraft or its maintenance records. However, it does include the consideration of maintenance status information that is provided to the appraiser from the client, aircraft operator, or in the case of a second opinion, possibly from another appraiser's report. An extended desktop appraisal would normally provide a value that includes adjustments for the mid-time, mid-life baseline to account for the actual maintenance status of the aircraft.

Maintenance adjustments are normally calculated for extended desktop appraisal assignments. However, sometimes due to the sheer size of the fleet / portfolio a client wishes to be appraised, coupled with exacting time constraints, a maintenance adjustment only assessment may be required. Acumen is well positioned to undertake such projects.



Full appraisal

A full appraisal is one that includes an inspection of the aircraft and its maintenance records. The inspection is aimed solely at determining the overall condition of the aircraft and records to support the value opinions of the appraiser, and would not, for example, include the opening of inspection panels on the aircraft or a detailed review of record archives. A full appraisal would normally provide a value that includes adjustments from the mid-time, mid-life baseline to account for the actual maintenance status of the aircraft, and possibly other adjustments to reflect the findings of the inspection of the aircraft and its records.



Financial appraisal

A financial appraisal provides the lease encumbered value of an asset on lease. This considers several factors such as lease rent, lease term, discount rate, residual value at lease end, and in addition, security deposit, purchase options at various dates (if any), term extensions, sub-lease rights, reserve payments and return conditions. The discount rate is carefully chosen post review of credit-risk associated with the lease.

Note: Acumen has been providing market insights and valuation services (ABS values, fly forward analysis, lease reviews, maintenance reserve adequacy analysis, HLBV, HLCMV, FLBV, FLCMV, maintenance adjustments, fleet valuations, distressed values, part-out values, value diminution for insurance claims) for many years and Acumen's highly experienced certified appraiser team is well poised to undertake any valuation assignment a client may need. The services listed are key examples of the types of assignment undertaken by the Acumen team. However, this is a far from exhaustive list and clients are encouraged to contact Acumen to discuss and agree the specifics regarding the type of support required, so as to meet their overall objectives.

Key highlights

- Appointed valuation advisor to a consortium of investors bidding for a USD 8bn portfolio - mid size lessor
- Carried out multiple portfolio ABS valuations
- Completed multiple asset valuation projects for asset purchase, fly forward analysis, and financial audit related activities
- Valued aircraft, factoring in historical claims
- Empanelled with different Credit Rating Agencies, Banks and FI's as an appraiser
- Total assets valued, in excess of 3,500
- Multiple part- out valuations performed
- Performing fleet valuations for impairment testing

Defining **values**

Base value

This type of appraisal is based on historical and projected value trends. It assumes an unrestricted and balanced market; a mid-life / mid-time physical condition, based on its type and age; an average maintenance status, and presumes a favourable transaction environment between able, willing and knowledgeable parties.



Residual value

This type of value is based on the appraiser's opinion of the value of an asset at a future date; It is often used in connection with the conclusion of a lease term.

Market value

Market value or current market value is most likely trading price that can be generated based on the market conditions existing at the time in question. This assumes the highest and best use and presumes a favourable hypothetical transaction environment between able, willing and knowledgeable parties in an unrestricted and balanced market.

Market value is synonymous with fair market value. The criteria used in documents using the term "fair" are typically the same as for market value. However, this is also sometimes specifically defined in legal, sales or lease documentation. In such cases an appraiser may well be required to determine the value in accordance with a given definition.

Securitized / lease encumbered value

This type of value is based on the appraiser's opinion of the asset value under lease, given a specified lease payment stream such as rents and term, combined with both an estimated future residual value at lease end and an appropriate discount rate. A detailed review of lease return conditions together with other conditions may be required.

Distress / liquidation value

This value is based on abnormal market conditions existing at the time of its undertaking. It assumes a restricted and unbalanced market position weighted in the buyer's favour, which possibly would translate into heavily discounted actual pricing.

This approach generally presumes that the seller is under duress for a prompt sale transaction, however parties involved are still considered to be able, willing, and knowledgeable. Value opinions are based on limited time period (i.e. 90days/120days) as may be desired.

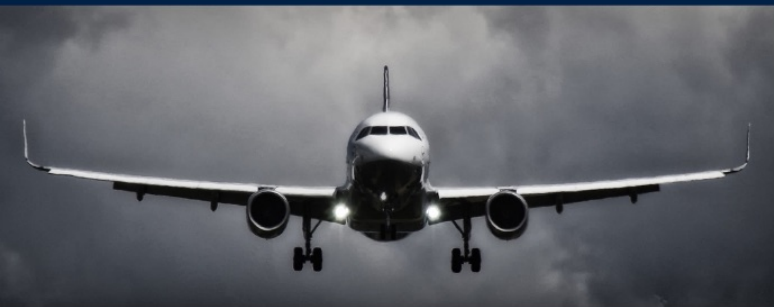
Diminution in value

Opinion on value diminution is mostly required for incident / accident related asset for insurance claim. Such assignments not only require a strong technical background but also requires understanding of various factors which must be considered during such review. Diminution in value generally provides the difference in value opinion prior and post of an occurrence of an incident / accident.



Disassembly value

This value reflects the anticipated revenue from the retail sale of individual parts and assemblies, net of the cost of disassembly, repair, testing, refurbishment, handling, storage, inventorying, marketing, sales and any additional associated costs .



Online value

Acumen provides online valuation for multiple aircraft types through its proprietary application, fin-S.

Online values currently provided through the online application include, Base Value, Full Life Base Value, Base Lease Rate, Current Market Value Future Base Value, Maintenance Adjustment and Lease Encumbered Value.



Market reports



This type of report includes a detailed in depth analysis of strategic commercial outlook of passenger, freighter, and general aviation aircraft. Suggestion will be included, regarding the pros and cons of various jurisdictions (as required by client) / regions across the globe and its associated risk and return.

Airline credit analysis

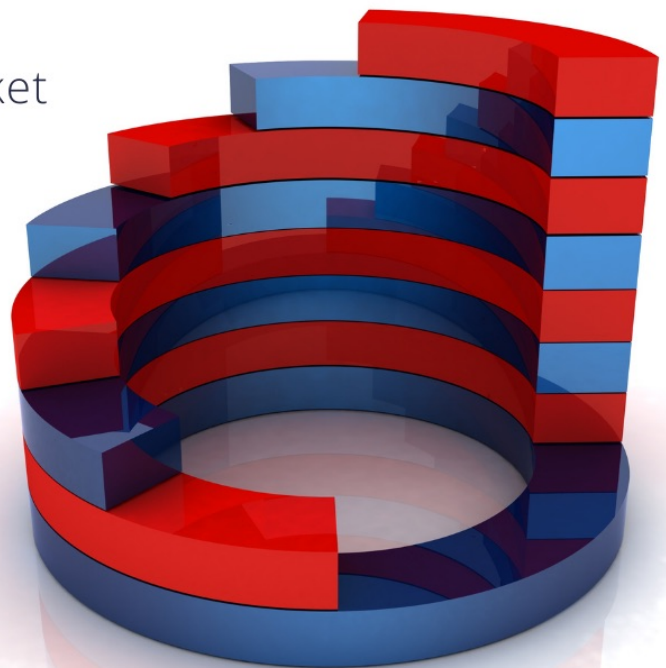


This type of report Includes a detailed assessment of airline's operational and financial performance based on Acumen's in-house credit rating methodologies on various parameters and indicators. Parameters are based on the airlines fleet mix, operational efficiency, profitability, liquidity, leverage, jurisdiction, management and prevailing market risk.

Structuring & capital market advisory



This type of report typically includes a pricing model, a detailed investment & return analysis, optimal financial solutions, and SPV structuring advice.



Project reports



We advise on the best and optimum possible structure taking into account the various leading leasing jurisdictions. Structures are primarily driven by the investors domicile and the location of the operators. We assist in arranging the best possible financing solution to the asset owning entity. Structuring advisory services are supported with detailed financial modelling, analysing the risk and return on the proposed investment.

About Acumen

We are an independent asset management organisation providing comprehensive in-house asset management support to lessors, banks, equity investors and operators in the aviation sector, from sourcing and acquisition to transition or disposal.

Headquartered in Ireland, Acumen has a global reach with regional offices in the USA, India and China.

US\$ 1.2bn+*
Acquisitions

US\$ 2.1bn*
Aircraft
Re-marketing

US\$ 6bn*
Aircraft
Traded

3500+
Assets
Appraised

10+ SPVs
/ 24 Assets
Under
Management

460+
Assets
Valued for
ABS

Aviation Consultants Supporting Industry Leaders

*Including business sourced directly by Acumen and indirectly through the activity of members of the Acumen management team.

Let's start the conversation:

Get in contact today to find out more.

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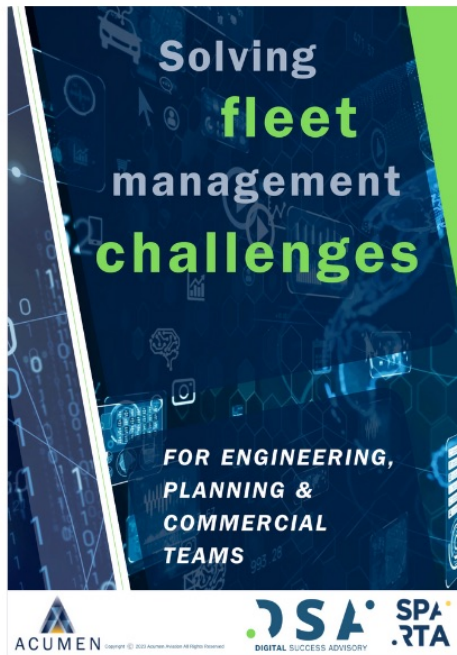
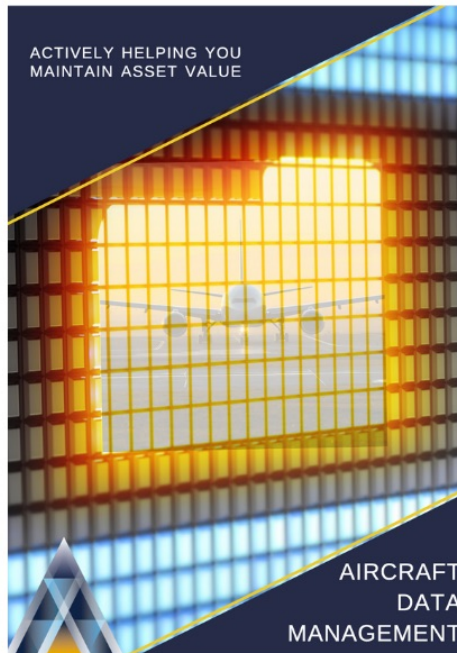
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