

# Investment Diligence and Research

Evaluating Investment  
Opportunities

April 2024



# Evaluated the Investment Opportunities

TresVista evaluated the investment opportunities within the alternative credit space

## Request Overview

- Study the opportunity presented by potential deals, and analyze the risks and strengths of them
- Prepare opportunity memos for capital markets and secondary markets
  - In capital market deals, the client extends a line of credit to companies providing loans and advances to end-consumers
  - Secondary market deals involve purchasing existing loan portfolios from other companies
- The client provided company information, loan tape, and the tentative terms for the potential deals

## Final Deliverable and Value Add

- Read through the company information and conducted in-depth research on the industry that they operate in
- Assessed the key credit risks and strengths of the investment opportunity and identified ways to mitigate risks
- Analyzed past portfolio performance via loan stratifications and cumulative collection curves analysis
- Collated the data into a brief document, providing all the necessary information for the investment committee to evaluate the deal

## Output Snapshot

### PORTFOLIO OVERVIEW

Summary	
Active Loan Count	XX
Avg Loan Size	XX
Avg Age	XX
Avg Months Remaining	XX
Avg Term	XX
Maximum Loan Size	XX
Average FICO	XX
Average DPD	XX

MOR	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2
0	0%	1%	0%	1%	1%	0%	1%	1%	2%	1%	1%	1%	0%	1%	0%
1	1%	4%	0%	4%	4%	4%	4%	4%	7%	7%	7%	5%	4%	4%	6%
2	1%	10%	11%	11%	12%	12%	10%	14%	13%	11%	10%	12%	11%	15%	12%
3	1%	10%	10%	10%	17%	18%	20%	21%	22%	16%	10%	17%	16%	21%	18%
4	2%	20%	21%	21%	23%	23%	27%	28%	28%	20%	21%	24%	21%	24%	24%
5	2%	24%	26%	26%	28%	29%	31%	31%	33%	24%	26%	28%	25%	30%	30%
6	3%	29%	31%	31%	34%	35%	41%	41%	39%	29%	30%	33%	30%	30%	32%
7	3%	33%	34%	37%	39%	41%	49%	47%	44%	34%	35%	37%	37%	35%	35%
8	4%	40%	41%	42%	45%	46%	54%	54%	49%	40%	40%	39%	42%	39%	39%
9	4%	43%	44%	47%	50%	52%	64%	60%	54%	45%	44%	47%	41%	47%	41%
10	5%	47%	51%	52%	54%	60%	69%	69%	64%	49%	50%	49%	53%	49%	41%
11	5%	53%	57%	57%	62%	67%	74%	73%	68%	55%	53%	54%	54%	54%	54%
12	6%	57%	62%	63%	67%	72%	77%	78%	72%	60%	57%	54%	54%	54%	54%
13	6%	62%	67%	69%	75%	78%	81%	77%	75%	64%	61%	61%	61%	61%	61%
14	7%	67%	72%	73%	81%	82%	85%	81%	79%	67%	64%	64%	64%	64%	64%
15	7%	72%	78%	79%	87%	87%	88%	84%	82%	71%	68%	68%	68%	68%	68%
16	8%	77%	82%	85%	91%	90%	91%	87%	85%	74%	74%	74%	74%	74%	74%
17	8%	80%	86%	91%	94%	93%	94%	90%	89%	75%	75%	75%	75%	75%	75%
18	9%	85%	93%	95%	96%	96%	97%	93%	90%	78%	78%	78%	78%	78%	78%
19	9%	89%	97%	97%	98%	98%	98%	94%	92%	80%	80%	80%	80%	80%	80%
20	10%	94%	101%	99%	99%	100%	100%	96%	92%	82%	82%	82%	82%	82%	82%
21	10%	100%	104%	101%	101%	103%	101%	98%	96%	84%	84%	84%	84%	84%	84%
22	11%	104%	104%	103%	102%	103%	101%	98%	96%	84%	84%	84%	84%	84%	84%
23	11%	110%	108%	104%	104%	104%	104%	100%	100%	86%	86%	86%	86%	86%	86%
24	11%	116%	109%	105%	105%	105%	105%	101%	101%	86%	86%	86%	86%	86%	86%
25	12%	112%	108%	106%	106%	106%	106%	102%	102%	86%	86%	86%	86%	86%	86%
26	12%	118%	109%	106%	106%	106%	106%	102%	102%	86%	86%	86%	86%	86%	86%
27	12%	112%	108%	106%	106%	106%	106%	102%	102%	86%	86%	86%	86%	86%	86%
28	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
29	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
30	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
31	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
32	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
33	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
34	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
35	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
36	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
37	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
38	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
39	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
40	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
41	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
42	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
43	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
44	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%
45	12%	112%	108%	107%	107%	107%	107%	103%	103%	86%	86%	86%	86%	86%	86%

### LOAN STATUS

Loan Status	#	Principal Balance	Avg Principal Balance	Loan Amount	% of Total	WA Credit Score	Interest Rate	Term	APR	DPD	ACH Enabled	Income	3-Mo Clean
Active	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Collections	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Paid	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Other	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>Grand Total</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>	<b>XX</b>

The background features a dark blue field with two large, overlapping geometric shapes. On the left, a light blue shape points downwards. On the right, an orange shape points upwards. The two shapes meet at a central point, creating a V-shape.

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