



Date of Release: November 19, 2007

DBRS Confirms Apsley Trust, Ratings Remain Under Review - Developing

Industry: Sec.--CDO

DBRS has today confirmed the ratings of Apsley Trust (Apsley) as follows: Class A, Series A at R-4; Class E, Series A at R-4 and Class FRN, Series A at BB. All ratings remain Under Review with Developing Implications.

Along with a number of other third-party asset-backed commercial paper (ABCP) trusts, Apsley failed to roll over its maturing ABCP on August 13, 2007. Apsley was unsuccessful in attempts to draw on liquidity from its liquidity lender and was subsequently placed Under Review with Developing Implications by DBRS along with other affected trusts (the Affected Trusts) on August 16, 2007. An agreement in principle among a consortium of investors, dealers and asset providers provides, among other things, for all investors in the Affected Trusts to exchange their holdings for term notes matching the amortization and maturity of the transactions held within each trust (the Montréal Accord). At present, Apsley is part of a standstill agreement under the Montréal Accord and is not subject to collateral calls and may not draw on liquidity lines from its liquidity provider. The standstill agreement is currently set to expire on December 14, 2007. Rating actions taken today assume that the consortium will continue to abide by the terms of the Montréal Accord. Should this not be the case, the ratings referenced here would be subject to change.

Apsley has \$2.4 billion in funding outstanding, split among seven CDO transactions. Two of these transactions – one for \$400 million and the other accounting for \$500 million of funding – have 100% exposure to U.S. non-prime residential mortgage-backed securities (RMBS). The deterioration in credit quality of the \$400 million transaction was described in a DBRS press release on November 6, 2007, and resulted in that transaction being downgraded to BB. As DBRS generally rates ABCP at the rating level of the lowest rated transaction funded by the ABCP, the deterioration of the \$400 million transaction meant that Apsley's notes and FRNs were downgraded to R-4 and BB from R-1 (high) and AAA, respectively.

The \$500 million transaction synthetically references pools of U.S. non-prime residential mortgages. At inception the portfolio of 50 reference obligations consisted of 64% BBB and 36% BBB (low) obligations as rated by DBRS and other Nationally Recognized Statistical Rating Organizations (NRSROs). Nine of the 50 obligors have suffered negative rating action from DBRS and other NRSROs and five are currently on negative credit watch. In addition, due to observed slowdowns in prepayment speeds, DBRS has revised its term assumption in respect of the transaction to five years. The cumulative effect of the downgrades to the credits referenced by the transaction and a revised



term assumption has been to push the attachment point to maintain a AAA rating through the \$500 million transaction's current attachment point. This transaction can therefore no longer maintain a AAA rating.

Using the DBRS CDO Toolbox (1) and applying the current ratings of the reference obligations and a revised assumption as to the term of the reference portfolio, a long-term rating of A (high) has been assigned to the \$500 million transaction by DBRS.

As referenced above, DBRS generally rates ABCP at the rating level of the lowest rated transaction funded by the ABCP. This rating action will therefore have no impact on the rating of Apsley's notes and FRNs as the \$400 million transaction downgraded to BB on November 6, 2007, remains the lowest-rated transaction funded by Apsley.

The five remaining CDO transactions representing \$1.5 billion of funding by Apsley reference corporate obligations. These transactions continue to be rated AAA from an attachment point perspective and continue to perform well. DBRS does not expect that these transactions will suffer losses and considers them to be strong from a credit perspective.

Apsley remains Under Review with Developing Implications as it is one of the Affected Trusts under the Montréal Accord. It must also be noted that this rating action has no impact on the status of other Affected Trusts. All other Affected Trusts retain the ratings originally provided. Any deterioration in credit quality that may be experienced within other Affected Trusts will be addressed in ratings actions deemed appropriate should that event occur. As described in the commentary – DBRS Comments on Assets Held by Canadian ABCP Affected Trusts, published October 17, 2007, DBRS believes that the vast majority of the transactions in the Affected Trusts continue to exhibit strong credit characteristics consistent with previously assigned ratings.

Notes:

All figures are in U.S. dollars unless otherwise noted.

(1) Available on www.dbrs.com

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Apsley Trust	Class E, Series A Notes	Confirmed	R-4	--	Nov 19, 2007
Apsley Trust	Class E, Series A Notes	Under Review - Developing	R-4	--	Nov 19, 2007
Apsley Trust	Class FRN, Series A Notes	Confirmed	BB	--	Nov 19, 2007
Apsley Trust	Class FRN, Series A Notes	Under Review - Developing	BB	--	Nov 19, 2007

Copyright © 2007, DBRS Limited, DBRS, Inc., and DBRS (Europe) Limited (collectively, "DBRS"). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources believed by DBRS to be accurate and reliable. DBRS does not perform any audit and does not independently verify the accuracy of the information provided to it. DBRS ratings, reports and any other information provided by DBRS is provided "as is" and without warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents, and representatives (collectively, "DBRS Representatives") be liable for: (i) any inaccuracy, delay, interruption in service, error, or omission, or for any resulting damages, or (ii) any direct, indirect, incidental, special, compensatory, or consequential damages with respect to any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representatives in connection with, or related to, obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing, or delivering any information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell, or hold any securities. DBRS receives compensation, ranging from US\$1,000 to US\$750,000 (or the applicable currency equivalent), from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings. This publication may not be reproduced, retransmitted, or distributed in any form without the prior written consent of DBRS.



Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Apsley Trust	Class A, Series A Notes	Confirmed	R-4	--	Nov 19, 2007
Apsley Trust	Class A, Series A Notes	Under Review - Developing	R-4	--	Nov 19, 2007

Jireh Wong
Senior Vice President - Canadian Structured Finance
+1 416 597 7527
jwong@dbrs.com

Andrew Fitzpatrick
Assistant Vice President - Canadian Structured Finance
+1 416 597 7377
afitzpatrick@dbrs.com

Jerry Marriott
Managing Director - Canadian RMBS/ABS
+1 416 597 7358
jmarriott@dbrs.com