SCF Equipment Leasing 2025-1 and SCF Equipment Leasing Canada 2025-1

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Executive Summary

This report summarizes KBRA's analysis of SCF Equipment Leasing 2025-1 LLC and SCF Equipment Leasing Canada 2025-1 Limited Partnership (collectively SCF 2025-1), an equipment ABS transaction. This report is based on information as of January 29, 2025. This report does not constitute a recommendation to buy, hold, or sell securities.

Rated Notes					
Class	**Initial Amount ($)**	**Interest Rate (%)[1]**	**Legal Final Maturity Date**	**Initial Hard Credit Enhancement**	**KBRA Rating**
A-1	93,500,000	4.522%	February 20, 2026	30.00%	K1+ (sf)
A-2	233,000,000	4.82%	July 22, 2030	30.00%	AAA (sf)
A-3	366,801,000	5.11%	November 21, 2033	30.00%	AAA (sf)
B	67,876,000	5.23%	September 20, 2034	23.00%	AA+ (sf)
C	58,179,000	5.37%	September 20, 2034	17.00%	A+ (sf)
D	58,179,000	5.88%	November 20, 2035	11.00%	BBB+ (sf)
E	29,090,000	6.75%	November 20, 2035	8.00%	BBB (sf)
F	29,090,000	8.00%	November 20, 2035	5.00%	BB+ (sf)
G	24,241,000	8.00%	November 20, 2035	2.50%	NR
Total	**959,956,000**				

[1]Interest on the Class F and Class G Notes will only accrue in certain circumstances.

SCF 2025-1 represents the 13th equipment ABS transaction sponsored by Stonebriar Commercial Finance LLC (SCF or the Company). Additionally, SCF services the Granite Park 2023-1 transaction, which is an equipment ABS backed by collateral originated by the Company. The SCF 2025-1 transaction is secured by: (1) a portfolio of equipment lease contracts and equipment loan contracts (together, the Contracts), together with interests in the related equipment and other collateral; (2) certain portfolio interest certificates evidencing 100% beneficial interest in a portfolio of leases of titled motor vehicles and the related equipment; and (3) equity interests in certain limited purpose entities formed to own aircraft. The underlying Contracts are collateralized by essential use assets in a variety of industries such as marine, rail, aircraft, transportation, medical, energy and manufacturing equipment. All of the Contracts were directly or indirectly originated by SCF or Stonebriar Commercial Finance Canada Inc. (SCF Canada). Founded in 2015, SCF is a privately owned commercial equipment finance company located in Plano, TX. The Company originates secured loans and leases in a variety of industries that are collateralized by essential use assets. As of December 31, 2024, SFC had funded approximately $14.0 billion of investments since inception and had a net investment of $6.1 billion.

SCF 2025-1 will issue nine classes of notes, including a short-term money market tranche (Notes). Credit enhancement includes overcollateralization, excess spread, a reserve account, and subordination for senior classes. The initial aggregate discounted contract balance (the Initial ADCB) of the portfolio is approximately $969.65 million as of the Portfolio Calculation Date defined as the close of business on November 30, 2024. The Initial ADCB is based on the projected equipment loan and lease cash flows, as well as the residual value of the related equipment, discounted at the respective contract's implicit rate of return (IRR). The weighted average IRR is 10.28%. The portfolio is comprised of 56 contracts to 33 obligors. The average contract balance is approximately $17.32 million and the average exposure to an obligor is approximately $29.38 million. The maximum exposure to an obligor is approximately $132.11 million or approximately 13.62% of the Initial ADCB.

The transaction parties are listed below.

Transaction Parties	
U.S. Issuer	SCF Equipment Leasing 2025-1 LLC
Canadian Issuer	SCF Equipment Leasing Canada 2025-1 Limited Partnership
U.S. Originator / Servicer	Stonebriar Commercial Finance LLC
Canadian Originator	Stonebriar Commercial Finance Canada Inc.
Aircraft Trusts	Two statutory or grantor trusts, the beneficial interests in which are owned by the U.S. Issuer. Each trust owns and leases one or more aircraft or helicopters.
Indenture Trustee	U.S. Bank Trust Company, National Association
Back-up Servicer / Custodian / Securities Intermediary	U.S. Bank National Association
Sole Structuring Agent and Lead Bookrunner	BofA Securities, Inc.

Key Credit Considerations	+/-
Experienced Servicer and Management Team SCF commenced operations in 2015, so it has approximately a ten-year operating history. The Company is also an experienced servicer of 13 prior equipment ABS transactions dating back to 2016. This includes the Granite Park Equipment Leasing 2023-1 LLC (Granite Park 2023-1) equipment ABS transaction for which SCF is both the originator and servicer. Seven of SCF's prior equipment ABS transactions have fully repaid. SCF was launched by an experienced management team in the large ticket equipment lease and loan sector. The average experience of SCF's senior management serving as a lender and/or lessor in this sector is 25+ years and the team has originated and structured more than $20 billion in financings since 1988, spanning several economic cycles, including the economic downturn from 2006 through 2008.	+
Transaction Structure The credit enhancement levels in the transaction are sufficient to cover KBRA's stressed cash flow assumptions for each class under the corresponding stress levels for that class. Credit enhancement consists of overcollateralization, a cash reserve account, excess spread and subordination for senior classes. <u>Excess spread:</u> The transaction contains excess spread, which results from the excess of the discount rate of the contracts over the weighted average interest rate on the notes plus the transaction's expenses. The weighted average discount rate of the contracts, approximately 10.28% per year, compared to a weighted average rate (the anticipated weighted average coupon on the Notes plus per year transaction fees) results in approximately 3.92% per year of initial excess spread available to cover losses. <u>Overcollateralization:</u> The overcollateralization is subject to a target level of 7.00% of the current pool. After reaching this target, the overcollateralization is subject to a floor level of 2.00% of the initial pool balance. <u>Subordination:</u> Senior classes benefit from subordination of junior classes as a result of the sequential pay structure. <u>Reserve Account:</u> At closing a reserve account will be funded with 1.50% (approximately $14.55 million) of the Initial ADCB. The reserve account may amortize to 1.50% of the current ADCB. However, it is subject to a floor level of 1.00% of the initial ADCB (approximately $9.70 million). <u>Cumulative Net Loss Trigger:</u> If the cumulative net losses exceed the Cumulative Net Loss Trigger percentages, all available funds are not released to the residual holder but are used to pay principal on the Notes sequentially. <u>Interest on Class F and G Notes:</u> Interest on the Class F and G Notes accrue only for payment dates after the overcollateralization target amount has been met and thereafter.	+

Non-investment Grade or Unrated Commercial Obligors SCF's target obligors are generally non-investment grade and unrated commercial entities. To mitigate the underlying credit profile of its obligors, SCF structures every loan or lease and adjusts the amount of the required downpayment, guarantee and/or additional collateral based on the obligor, the obligor's industry, the obligor's competitive position within its industry and the corporate officers of the obligor. In addition to the highly structured nature of the equipment loans and leases, SCF's underwriting practices generally ensure that the net orderly liquidation value (the NOLV) relative to the ADCB for the lease or loan exceeds 1.0x on the closing date of the respective transaction. To the extent this ratio is less than 1.0x, the maximum duration from closing until this ratio exceeds 1.0x for an equipment lease or loan is typically 18 to 24 months. The NOLV is the estimated proceeds for a piece of equipment (net of any fees, expenses and reasonable costs associated with the disposition of the equipment) if the equipment were marketed over a period of 6 to 12 months, and is less than a fair market value estimate.	**-**
Obligor Concentration The top obligor and top five obligors represent approximately 13.62% and 53.19% of the Initial ADCB, respectively. The entire portfolio consists of 33 obligors. The concentrated nature of the portfolio is mitigated by the weighted average NOLV-to-ADCB for these top five obligors at closing being approximately 2.42x. See Collateral Analysis to view the collateral characteristics of the SCF 2025-1 pool.	**-**
Lease Participations Approximately 19.82% of the Initial ADCB represents lease participations. Collections on the participated leases flow to SCF (or its subsidiary) who then remit collections to the various participants. Prior to remitting, SCF, or its subsidiary, holds collections in trust for the benefit of the issuer.	**-/+**

Transaction Summary

The tables below compare key characteristics of the SCF 2025-1 transaction to previous SCF transactions.

Deal Name	SCF 2025-1	SCF 2024-1	SCF 2023-1	SCF 2022-2
Cutoff Date[1]	12/31/2024	4/30/2024, 7/31/2024	9/30/2023	9/30/2022
Collateral Stratification[2]				
Discounted Contract Balance (000)	$969,651	$806,943	$888,817	$741,162
Number of Contracts	56	52	54	66
Aggregate Booked Residual Value (000)	$105,358	$134,998	$170,357	$213,497
Residuals % Discounted Contract Balance	10.87%	16.73%	19.17%	28.81%
Average Discounted Contract Balance (000)	$17,315	$15,518	$16,460	$11,230
Number of Obligors	33	34	39	33
Average Obligor Balance (000)	$29,383	$23,734	$22,790	$22,459
Publicly Rated Obligors % Discounted Contract Balance	39.42%		50.62%	54.29%
Weighted Average Lease/Loan Rate	10.28%	10.07%	10.13%	8.05%
Wtd Avg Original Term (months)	80.0	74.0	74.0	78.5
Wtd Avg Remaining Term (months)	72.0	59.0	71.0	71.0
Wtd Avg Seasoning (months)	8.0	15.0	3.0	7.5
Obligor Concentration (% Discounted Contract Balance)				
Obligor 1	13.62%	10.98%	7.18%	10.02%
Obligor 2	12.51%	10.43%	7.10%	8.04%
Obligor 3	10.65%	7.76%	6.75%	7.84%
Obligor 4	9.22%	7.53%	6.27%	6.88%
Obligor 5	7.19%	5.54%	5.70%	6.77%
Total Top Five Obligors	53.19%	42.25%	33.00%	39.55%
Obligor 6	5.18%	5.27%	5.46%	4.92%
Obligor 7	4.31%	4.98%	5.36%	4.81%
Obligor 8	3.80%	4.27%	4.94%	4.73%
Obligor 9	3.05%	4.01%	4.36%	4.54%
Obligor 10	2.96%	3.56%	4.26%	4.39%
Total Top 10 Obligors	72.49%	64.34%	57.39%	62.95%
Equipment Type (% Discounted Contract Balance)				
Equipment 1	Marine Vessels : 26.48%	Manufacturing: 23.12%	Manufacturing: 15.66%	Railcars: 25.41%
Equipment 2	Manufacturing and Assembly: 17.96%	Chemical Plant: 10.98%	Railcars: 12.20%	Marine Vessels: 23.46%
Equipment 3	Refinery: 10.65%	Sand Plant: 10.43%	Corporate aircraft: 10.33%	Refinery: 11.70%
Equipment 4	Sand Plant: 7.79%	Rail: 9.92%	Sand plant: 7.10%	Corporate Aircraft: 7.84%
Equipment 5	Portable Power: 7.61%	Renewable Diesel Refinery: 7.76%	Renewable diesel refinery: 6.75%	Medical Aircraft: 4.92%
Equipment 6	Rail: 5.83%	Marine - Intercoastal Petroleum Transportation: 5.54%	Marine - Intercoastal non-petrol transportation: 6.27%	Portable Power: 4.73%
Equipment 7	Corporate aircraft : 3.80%	Portable Power: 4.98%	Brewing plant: 5.70%	Chemical Plant: 4.39%
Equipment 8	Transportation/Trailers/Trucks: 3.44%	Construction: 4.27%	Construction equipment: 4.36%	Airport Ground Equipment: 3.19%
Equipment 9	Computer / IT Infrastructure: 2.42%	Marine - Great Lakes Transportation:3.56%	Chemical plant: 4.26%	Manufacturing Equipment: 3.18%
Equipment 10	Gas Compression Plant: 2.04%	Flight Training Simulator: 3.32%	Construction: 3.88%	Sand Plant: 2.94%
Geographic Concentration (% Discounted Contract Balance)				
State 1	LA: 26.48%	TX: 40.19%	TX: 18.43%	TX: 22.42%
State 2	TX: 25.30%	IN: 9.79%	OH: 16.91%	IN: 14.88%
State 3	IN: 1.65	FL: 9.25%	MI: 8.59%	OH: 12.23%
State 4	GA: 5.18	NY: 5.27%	IN: 7.31%	CT: 9.51%
State 5	KS: 4.98	Canada: 5.26%	MO: 6.96%	CA: 7.67%
State 6	MI: 3.82%	MO: 4.71%	CA: 6.27%	WA: 5.55%
State 7	PA: 3.446%	WA: 4.60%	WI: 5.70%	MO: 4.92%
State 8	VA: 3.11%	MN: 3.11%	CT: 5.36%	LA: 4.11%
State 9	BC: 2.96%	NE: 2.72%	BC: 4.36%	KY: 3.55%
State 10	AB: 2.41%	NJ: 2.55%	PA: 3.89%	VA: 3.19%
SCF Risk Ratings (% Discounted Contract Balance) Lower score equates to lower risk				
2+	-	-	-	-
2	-	-	5.36%	6.88%
2-	-	-	-	1.95%
3+	-	0.52%	0.75%	-
3	-	-	2.47%	4.81%
3-	-	2.72%	-	3.11%
4+	4.53%	-	0.75%	-
4	1.30%	3.08%	1.14%	-
4-	-	0.39%	-	-
5+	-	-	-	1.98%
5	42.55%	25.99%	10.99%	3.55%
5-	8.52%	8.60%	2.13%	7.86%
6+	5.36%	10.78%	10.67%	14.61%
6	37.74%	47.93%	63.62%	55.26%
6-	-	-	2.12%	-
7	-	-	-	-
Note Balance ($000)				
Class A	$693,301	$560,830	$602,173	$452,500
Class B	$67,876	$62,538	$71,105	$52,252
Class C	$58,179	$46,399	$62,217	$55,587
Class D	$58,179	$48,417	$48,885	$39,282
Class E	$29,090	$28,243	$42,219	$24,088
Class F	$29,090	$24,208	$17,776	$75,227
Class G	$24,241	$28,243	$26,665	$12,600
Total	$959,956	$798,878	$871,040	$711,536
Overcollateralization and Reserve Account				
Initial O/C	1.00%	1.00%	2.00%	4.00%
Target O/C	7.00%	7.00%	5.00%	5.50%
O/C Floor	2.00%	2.00%	2.50%	5.00%
Reserve Account	1.50%	1.00%	1.00%	1.00%
Initial Note Rating				
Class A Notes	K1+ (sf)/AAA (sf)	K1+ (sf)/AAA (sf)	K1+ (sf)/AAA (sf)	K1+ (sf)/AAA (sf)
Class B Notes	AA+ (sf)	AA (sf)	AA (sf)	AA (sf)
Class C Notes	A+ (sf)	A (sf)	A (sf)	A+ (sf)
Class D Notes	BBB+ (sf)	BBB (sf)	BBB (sf)	BBB (sf)
Class E Notes	BBB (sf)	BB (sf)	BB (sf)	BB (sf)
Class F Notes	BB+ (sf)	B (sf)	B+ (sf)/B (sf)	B (sf)
Class G Notes	NR	NR	NR	NR
Total Initial Hard Credit Enhancement % Initial Discounted Contract Principal Balance				
Class A Notes	30.00%	31.50%	33.25%	39.95%
Class B Notes	23.00%	23.75%	25.25%	32.90%
Class C Notes	17.00%	18.00%	18.25%	25.40%
Class D Notes	11.00%	12.00%	12.75%	20.10%
Class E Notes	8.00%	8.50%	8.00%	16.85%
Class F Notes	5.00%	5.50%	6.00%	9.75%/6.70%
Class G Notes	2.50%	2.00%	3.00%	5.00%
KBRA Base Case Cumulative Net Loss				
	2.36%	1.98%	2.32%	2.52%

[1]For SCF 2024-1, the Portfolio Calculation Date is 4/30/2024 for the initial contracts and 7/31/2024 for the Additional Contracts

[2]For SCF 2024-1, Collateral Stratification is inclusive of the initial contracts and the Additional Contracts expected to be included in the asset pool

[3]For SCF 2025-1 reserve is permitted to amortize to floor of 1.00% of initial pool.

Deal Name	SCF 2022-1	SCF 2021-1	SCF 2020-1	SCF 2019-2
Cutoff Date	12/31/2021	12/31/2020	6/30/2020	8/31/2019
Collateral Stratification				
Discounted Contract Balance (000)	$752,229	$1,011,644	$598,755	$710,822
Number of Contracts	98	145	97	71
Aggregate Booked Residual Value (000)	$179,560	$259,073	$191,923	$285,514
Residuals % Discounted Contract Balance	23.87%	25.61%	32.05%	40.17%
Average Discounted Contract Balance (000)	$7,676	$6,977	$6,173	$10,012
Number of Obligors	51	64	41	45
Average Obligor Balance (000)	$14,750	$15,807	$14,604	$15,796
Publicly Rated Obligors % Discounted Contract Balance	41.84%	65.85%	76.26%	62.56%
Weighted Average Lease/Loan Rate	7.77%	8.24%	8.54%	7.80%
Wtd Avg Original Term (months)	69.4	79.6	64.8	66.2
Wtd Avg Remaining Term (months)	60.9	62.0	60.1	62.8
Wtd Avg Seasoning (months)	8.5	17.6	4.8	3.4
Obligor Concentration (% Discounted Contract Balance)				
Obligor 1	9.16%	21.94%	11.37%	12.05%
Obligor 2	6.91%	5.39%	8.31%	11.10%
Obligor 3	6.52%	4.78%	8.08%	7.91%
Obligor 4	6.35%	4.63%	5.32%	7.56%
Obligor 5	5.75%	4.48%	4.76%	5.39%
Total Top Five Obligors	34.69%	41.22%	37.84%	44.00%
Obligor 6	5.34%	4.38%	3.78%	3.79%
Obligor 7	4.75%	3.90%	3.67%	3.12%
Obligor 8	4.63%	2.82%	3.65%	3.12%
Obligor 9	4.37%	2.77%	3.40%	2.76%
Obligor 10	3.61%	2.48%	3.37%	2.62%
Total Top 10 Obligors	57.40%	57.57%	55.72%	59.41%
Equipment Type (% Discounted Contract Balance)				
Equipment 1	Marine Vessels: 27.52%	Corporate Aircraft: 29.90%	Railcars: 25.88%	Railcars: 31.07%
Equipment 2	Railcars: 13.72%	Manufacturing Equipment: 15.91%	Manufacturing Equipment: 18.21%	Corporate Aircraft: 19.74%
Equipment 3	Manufacturing & Assembly: 9.65%	Railcars: 11.83%	Corporate Aircraft: 17.35%	Manufacturing & Assembly: 14.33%
Equipment 4	Oil & Gas Equipment: 7.43%	Chemical Plant: 6.72%	Oil & Gas Equipment: 9.36%	Training Facility: 5.39%
Equipment 5	Corporate Aircraft: 6.48%	Marine Vessels: 6.20%	IT Equipment: 6.09%	Aerial Lifts: 4.81%
Equipment 6	Sand Plant: 6.35%	IT Equipment: 3.45%	Aerial Lifts: 6.06%	Oil & Gas Equipment: 4.16%
Equipment 7	Refinery: 5.75%	Aerial Lifts: 3.30%	Medical Equipment: 4.27%	Real Estate: 3.54%
Equipment 8	Observation Wheel: 3.61%	Flight Simulator: 3.29%	Propane Delivery Trucks: 3.59%	Chemical Plant: 3.49%
Equipment 9	Compressors: 2.95%	Steel Mill: 2.48%	Transportation Equipment: 2.65%	Marine Vessels: 3.30%
Equipment 10	Transportation: 2.73%	Real Estate: 2.22%	Real Estate: 2.51%	IT Equip: 2.28%
Geographic Concentration (% Discounted Contract Balance)				
State 1	TX: 26.43%	OH: 26.60%	TX: 18.82%	CT: 14.05%
State 2	LA: 11.95%	TX: 14.08%	OH: 11.37%	OH: 12.05%
State 3	FL: 9.07%	KS: 6.61%	Ontario: 10.63%	NY: 10.67%
State 4	NY: 6.68%	MO: 6.12%	FL: 8.41%	TX: 9.00%
State 5	IN: 6.54%	AR: 5.30%	Alberta: 8.31%	Alberta: 7.91%
State 6	NE: 5.78%	OR: 4.48%	NY: 6.56%	VA: 7.04%
State 7	WA: 4.63%	OK: 4.38%	OR: 5.49%	NJ: 5.72%
State 8	AZ: 3.61%	FL: 2.84%	NV: 4.30%	IL: 5.33%
State 9	MO: 2.98%	PA: 2.76%	MN: 3.97%	LA: 4.78%
State 10	PA: 2.33%	GA: 2.22%	KS: 3.78%	CA: 3.77%
SCF Risk Ratings (% Discounted Contract Balance) Lower score equates to lower risk				
2+	-	-	-	-
2	-	0.32%	0.91%	11.10%
2-	-	-	-	-
3+	-	0.33%	8.31%	-
3	3.05%	2.55%	7.36%	4.74%
3-	3.87%	-	-	-
4+	-	2.33%	4.46%	-
4	1.67%	8.94%	2.35%	12.35%
4-	-	-	-	-
5+	2.23%	-	-	-
5	0.0475	1.07%	-	2.89%
5-	-	0.74%	-	-
6+	-	21.94%	11.37%	-
6	82.93%	61.78%	65.25%	65.14%
6-	-	-	-	-
7	1.49%	-	-	3.79%
Note Balance ($000)				
Class A	$534,100	$692,975	$392,184	$472,696
Class B	$67,700	$91,048	$59,875	$63,974
Class C	$28,208	$27,821	$46,403	$55,089
Class D	$45,135	$42,994	$25,447	$12,439
Class E	$13,164	$35,408	$26,944	$31,987
Class F	$22,566	$65,757	$17,963	$39,095
Class G	$11,283	$10,116	$2,993	$10,662
Total	$722,156	$966,119	$571,809	$685,942
Overcollateralization and Reserve Account				
Initial O/C	3.76%	4.50%	4.50%	3.50%
Target O/C	8.00%	8.00%	8.00%	7.50%
O/C Floor	5.00%	5.00%	5.50%	5.50%
Reserve Account	1.00%	1.50%	1.50%	1.50%
Initial Note Rating				
Class A Notes	K1+ (sf)/AAA (sf)	K1+ (sf)/AAA (sf)	K1+ (sf)/AAA (sf)	AAA (sf)
Class B Notes	AA (sf)	AA+ (sf)	AA+ (sf)	AA (sf)
Class C Notes	A+ (sf)	A+ (sf)	A+ (sf)	A+ (sf)
Class D Notes	BBB (sf)	BBB+ (sf)	BBB (sf)	BBB (sf)
Class E Notes	BB (sf)	BB (sf)	BB (sf)	BB (sf)
Class F Notes	B (sf)	B (sf)	B (sf)	B (sf)
Class G Notes	NR	NR	NR	NR
Total Initial Hard Credit Enhancement % Initial Discounted Contract Principal Balance				
Class A Notes	30.00%	33.00%	36.00%	35.00%
Class B Notes	21.00%	24.00%	26.00%	26.00%
Class C Notes	17.25%	21.25%	18.25%	18.25%
Class D Notes	11.25%	17.00%	14.00%	16.50%
Class E Notes	9.50%	13.50%	9.50%	12.00%
Class F Notes	6.50%	7.00%	6.50%	6.50%
Class G Notes	5.00%	6.00%	6.00%	5.00%
KBRA Base Case Cumulative Net Loss				
	2.21%	5.34%	1.92%	1.88%

Key Differences from SCF Equipment Trust 2024-1

SCF 2025-1 represents the 13th equipment ABS sponsored, originated and serviced by SCF. The table below discusses key differences between SCF 2025-1 and SCF 2024-1.

<table>
<tr><td>Company</td><td>

As of December 31, 2024, SFC had a net investment of $6.1 billion and maintained zero losses since inception in 2015.
In October 2024, Nicholas Sandler, who’s served as SCF’s president since June 2021 and co-founded the business, succeeded fellow co-founder Dave B. Fate as Chief Executive Officer of SCF. Mr. Fate is stepping down but will remain as senior advisor and vice chairman of SCF through 2025.

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<tr><td>Collateral Characteristics</td><td>

Obligors are slightly more concentrated with the top obligor increased to 13.62% from 10.98% and the top five obligors increased to 53.19% from 42.2%.
Equipment types are slightly more concentrated with the top two equipment types increased to 26.48% (Marine Vessels) and 17.96% (Manufacturing and Assembly) from 23.12% (Manufacturing) and 10.98% (Chemical Plant). Outside the top two, the equipment types are well-diversified similar to the prior transaction.
The obligor credit quality is slightly improved. The majority of the pool continues to be in SCF Risk Grade 6, which decreased to 43.10% from 58.71%. The percentage of obligors in the higher credit quality grades of 2-5 increased to 56.90% from 41.30%.
The weighted average original and remaining terms are longer at 80.0 months and 72.0 months, respectively up from 74.0 months and 59.0 months. Seasoning has decreased somewhat to 8.00 months from 15.00 months, which results in a slightly higher average contract balance up to $17.31 million from $15.52 million.
The percentage of residuals decreased to 10.87% from 16.73%.

</td></tr>
<tr><td>Credit Enhancement/Expected Loss</td><td>
The table below compares initial hard credit enhancement and KBRA’s base case loss assumptions for SCF 2025-1 and SCF 2024-1.
<table>
<tr><th>Deal Name</th><th>SCF 2025-1</th><th>SCF 2024-1</th><th>Difference (SCF 2025-1 vs SCF 2024-1)</th></tr>
<tr><td colspan="4">Overcollateralization and Reserve Account</td></tr>
<tr><td>Initial O/C</td><td>1.00%</td><td>1.00%</td><td>-</td></tr>
<tr><td>Target O/C</td><td>7.00%</td><td>7.00%</td><td>-</td></tr>
<tr><td>O/C Floor</td><td>2.00%</td><td>2.00%</td><td>-</td></tr>
<tr><td>Reserve Account</td><td>1.50%</td><td>1.00%</td><td>0.50%</td></tr>
<tr><td colspan="4">Total Initial Hard Credit Enhancement % Initial Discounted Contract Principal Balance</td></tr>
<tr><td>Class A Notes</td><td>30.00%</td><td>31.50%</td><td>-1.50%</td></tr>
<tr><td>Class B Notes</td><td>23.00%</td><td>23.75%</td><td>-0.75%</td></tr>
<tr><td>Class C Notes</td><td>17.00%</td><td>18.00%</td><td>-1.00%</td></tr>
<tr><td>Class D Notes</td><td>11.00%</td><td>12.00%</td><td>-1.00%</td></tr>
<tr><td>Class E Notes</td><td>8.00%</td><td>8.50%</td><td>-0.50%</td></tr>
<tr><td>Class F Notes</td><td>5.00%</td><td>5.50%</td><td>-0.50%</td></tr>
<tr><td>Class G Notes</td><td>2.50%</td><td>2.00%</td><td>0.50%</td></tr>
<tr><td colspan="4">KBRA Base Case Cumulative Net Loss</td></tr>
<tr><td></td><td>2.36%</td><td>1.98%</td><td></td></tr>
</table>

KBRA’s base case net loss is slightly higher as a result of longer weighted average remaining term and less seasoning that offsets slightly better obligor credit quality.
Total hard credit enhancement is decreased for each class of notes except the Class G Notes which benefit from 0.50% more initial hard credit enhancement resulting from the higher initial reserve account which increased to 1.50% from 1.00%. The reserve account is permitted to amortize below this initial level but is subject to a floor of 1.00% of the initial pool balance.
Excess spread has increased to 3.92% per year from 2.20%. The enhancement is consistent with our individual rating level stresses.

</td></tr>
</table>

Performance of Prior Stonebriar Serviced ABS

SCF has experience as a servicer for 13 prior equipment ABS transactions including SCF transactions dating back to 2016 and the Granite Park 2023-1 transaction, for which SCF is the originator and servicer. The table below shows the amortization, delinquency and default data for each outstanding transaction as of the December 2024 Distribution Date. The SCF 2016-1 through SCF 2020-1 transactions fully repaid upon reaching their clean up calls with zero defaults. Delinquencies (180+ days past due) and losses remain at 0% for all outstanding transactions.

Transaction	Initial Pool ($000)	Outstanding Pool ($000)	Pool Factor	Delinquent % Initial Pool	Defaulted % Initial Pool
SCFET 2021-1	1,011,644	177,592	17.55%	0.00%	0.00%
SCFET 2022-1	752,229	306,346	40.73%	0.00%	0.00%
SCFET 2022-2	741,162	445,968	60.17%	0.00%	0.00%
Granite Park 2023-1	406,094	347,383	85.54%	0.00%	0.00%
SCFET 2023-1	888,817	751,080	84.50%	0.00%	0.00%
SCFET 2024-1	806,943	729,665	90.42%	0.00%	0.00%

During KBRA's most recent comprehensive surveillance, in October 2024, KBRA reviewed all outstanding SCF transactions (see SCF Equipment Leasing Comprehensive Rating Report). Timely interest distributions have been made to each of the outstanding notes through the December 2024 distribution date, and credit support levels are higher than the levels at closing.

KBRA Process

KBRA has analyzed this transaction using the Equipment Lease & Loan Global ABS Methodology as well as the Global Structured Finance Counterparty Methodology and the ESG Global Rating Methodology. KBRA uses its KBRA Portfolio Loss Simulation (KPLS) model to determine the gross level of obligor defaults. In determining its base case recovery rate, KBRA considers SCF's historical recovery rates, as well as recovery rates of peer finance companies for similar types of equipment. Operative agreements and legal opinions were reviewed prior to closing.

Originator and Servicer Review

SCF provided KBRA with information regarding its history, management and processes, a summary of which is provided below.

Company Overview

Founded in 2015, SCF is a privately owned commercial equipment finance company located in Plano, TX. The Company originates secured loans and leases in a variety of industries that are collateralized by essential use assets. The Company's target origination size ranges from $10 million to $500 million. As of September 30, 2024, the Company had 46 employees.

As of December 2024, SCF has funded more than $14.0 billion equipment loans and leases and has a managed portfolio of approximately $7.7 billion. Eldridge Equipment Finance LLC (Eldridge), a Delaware limited liability company, is the controlling member of Stonebriar Holdings LLC. Eldridge is controlled by Todd L. Boehly, an investor in a wide range of businesses.

Management

KBRA completed an operational review discussion with key members of SCF's management team.

Nicholas M. Sandler, Chief Executive Officer

Mr. Sandler has served as Chief Executive Officer since October 2024 and previously served as President, Executive Vice President, Senior Managing Director and head of Aviation Capital since joining SCF in April 2016. From 2008 to 2016, Mr. Sandler was a Managing Director at Guggenheim Partners where he was Head of Business Aircraft Investments, a group he founded, and portfolio manager of the Guggenheim Aircraft Opportunity Fund, L.P., the first ever commingled investment fund dedicated to making investments in business aircraft. He also served as Head of Public Affairs where he was responsible for the firm's interaction with government constituencies at the federal, state and local levels, was a member of the firm's corporate credit group and worked on strategic and corporate development initiatives in international markets. From 2007 to 2008, Mr. Sandler was a Senior Vice President at Crestwood Pacific Group, a private investment company in Hong Kong. In 2006, Mr. Sandler co-founded Public Insight, a policy-focused research firm that serviced institutional investors and he acted as Chief Operating Officer from 2006 to 2007. Mr. Sandler is a director of Flexjet, LLC, the parent company of Flight Options, LLC. Mr. Sandler is also a member of the Board of Directors of the Miguel Contreras Foundation and is President of the Los Angeles Dodgers Foundation, the official team charity of the Los Angeles Dodgers.

Jeff L. Wilkison, Chief Credit Officer
Mr. Wilkison has served as Chief Credit Officer of SCF since April 2015 and as Senior Vice President and Chief Risk Officer of SCF Canada since its formation in September 2016. From 2004 to 2012, Mr. Wilkison served as Vice President of Risk Management at SMBC Rail Services and its predecessor companies Flagship Rail (2011 to 2013), AIG Rail (2008 to 2011) and AIG Commercial Equipment Finance (2004 to 2008). From 2003 to 2004, Mr. Wilkison was a Director and Group Senior Credit Officer at Merrill Lynch Capital. From 1995 to 2003, Mr. Wilkison was a Vice President and Credit Manager at Transamerica Equipment Finance. From 1989 to 1994, Mr. Wilkison was a Credit Manager at ITT Commercial Finance. Mr. Wilkison holds a BBA from the University of Texas at Arlington.

Timothy S. Milazzo, Executive Vice President, Chief Financial Officer
Mr. Milazzo has served as SCF's Executive Vice President, Chief Financial Officer since September of 2022 and prior to that, served as Senior Vice President, Chief Financial officer from SCF's formation in February 2015. Mr. Milazzo has also served as SCF Canada's Senior Vice President and Chief Financial Officer since its formation in September 2016. From 2004 to 2014, Mr. Milazzo acted as Chief Financial Officer and VP Finance for SMBC Rail Services and its predecessor companies Flagship Rail (2011 to 2013), AIG Rail (2008 to 2011) and AIG Commercial Equipment Finance (2004 to 2008). From 2002 to 2004, Mr. Milazzo was the controller at Transamerica Equipment Finance and he acted in other roles at Transamerica from 1995 to 2002. He previously held positions at LINC Group and Meridian Technology Leasing Services. Mr. Milazzo received his undergraduate degree from Eastern Illinois University and is a Certified Public Accountant.

B. Andrew Fletcher, Executive Vice President, General Counsel and Secretary
Mr. Fletcher has served as Executive Vice President, General Counsel and Secretary of SCF since September of 2022 and prior to that, served as Senior Vice President, General Counsel and Secretary since its formation in February 2015. Mr. Fletcher has also served as Senior Vice President, General Counsel and Secretary of SCF Canada since its formation in September 2016. From 2004 to 2014, Mr. Fletcher acted as Senior Vice President and General Counsel at AIG Commercial Asset Finance. From 1999 to 2004, Mr. Fletcher acted as Vice President and General Counsel at Transamerica Equipment Finance. From 1997 to 1999, Mr. Fletcher was Vice President and Assistant General Counsel at Associates Commercial Corp., a commercial finance company owned by the Ford Motor Company. His previous experience includes five (5) years of experience as a law firm associate specializing in commercial bankruptcy. Mr. Fletcher holds a B.A. from the University of Texas and a J.D. from Southern Methodist University. He is a member of the Texas State Bar and an active member of the Equipment Leasing and Finance Association.

Jason D. Muncy, Senior Managing Director
Mr. Muncy has served as SCF's Senior Managing Director – Funding & Investor Relations since March 2017. Prior to joining Stonebriar, Mr. Muncy was a Director with Credit Suisse in New York where he helped lead a team responsible for a ~$20B portfolio of asset-backed financings across the US, UK, Europe and Australia. Prior to Credit Suisse, Mr. Muncy held positions of increasing responsibility with Barclays, GE Capital and Salomon Smith Barney. Mr. Muncy received his Bachelor of Science in Finance from the University of Illinois and his Masters of Business Administration from Emory University. Mr. Muncy earned the Chartered Financial Analyst (CFA) designation in 2003.

John F. Mulreaney, Senior Managing Director—Business Development, Strategy and Operations
Mr. Mulreaney has served as SCF's Senior Managing Director – Business Development, Strategy and Operations since December 2021. Prior to joining Stonebriar, Mr. Mulreaney was a Managing Director at Guggenheim Partners where, for nearly half of his 13-year tenure, he was co-head of a team of attorneys based in New York, Los Angeles and London responsible for providing transactional legal support to Guggenheim's investment management business in areas such as syndicated corporate credit, middle market direct lending, real estate, derivatives and private equity. Mr. Mulreaney received his Bachelor of Arts from New York University and his Juris Doctorate from Villanova University School of Law where he was a member of the Villanova Law Review.

Kevin J. Sensenbrenner, Senior Vice President, Senior Managing Director—Asset Management
Mr. Sensenbrenner has served as SCF's Senior Vice President, Senior Managing Director—Asset Management since May 2015 and as Senior Vice President of SCF Canada since its formation in September 2016. From 2014 to 2015, Mr. Sensenbrenner was a Vice President & Equipment Management Group Manager at Wells Fargo Equipment Finance. From 2006 to 2014, Mr. Sensenbrenner served as Vice President & Senior Asset Manager at AIG Commercial Finance. From 1998 to 2006, Mr. Sensenbrenner served as Senior Manager of AccuVal Associates & Dovebid Valuation Services, a machinery and equipment appraisal firm. Mr. Sensenbrenner received his undergraduate degree from the University of Wisconsin. He is an Accredited Senior Appraiser with the American Society of Appraisers, and he serves on the Management Committee of the Equipment Leasing & Finance Association.

Michael Renck, Managing Director—Head of Financial Planning & Analysis
Mr. Renck has served as SCF's Managing Director – Head of Financial Planning & Analysis since October 2019, where he has supported the development of Stonebriar's capitalization and funding sources. Mr. Renck has over 10 years of diverse corporate finance experience. Previously, Mr. Renck was a Senior Associate at Eldridge, Stonebriar's parent company, where he focused on Eldridge's capitalization and investment portfolios, and where he also worked closely with the management teams of several Eldridge affiliates. Prior to Eldridge, Mr. Renck held various corporate finance and investor relations positions at IBM. Mr. Renck began his career at Lapides Asset Management, an SEC registered asset manager, based in Greenwich, CT. He earned his Bachelor of Business Administration in Finance from Iona University. Mr. Renck is a holder of the Chartered Financial Analyst (CFA) designation.

Harrison P. Smith, Managing Director—Credit
Mr. Smith is a Managing Director – Credit of SCF, having joined as an Investment Manager in October 2015. Prior to joining Stonebriar, from 2013 to 2015, he was an Investment Analyst at SGI Frontier Capital and NovaTerra, where he focused on international debt and equity transactions. Mr. Smith received his Bachelor of Arts from Rollins College and his Masters of Business Administration from Southern Methodist University. He also serves on the Independent Business Council and Membership Committees of the Equipment Leasing & Finance Association.

Originations
SCF's credit philosophy focuses primarily on transactions that are secured by tangible, essential-use, income-producing assets, in addition to the underlying credit strength of the applicable borrower or lessee with varying degrees of reliance placed on the value of the collateral. The Company characterizes their underwriting as having an emphasis on "recovery of investment." For any prospective obligor, SCF's focus is on the following transaction variables:

- Obligor cash flow
- Obligor balance sheet
- Collateral

Transactions may be structured as loans or as leases and can be fully amortizing or amortizing to a set booked residual value or balloon payment. The prospective transaction may be structured to manage risk and may include down payments, security deposits, guarantees, financial covenants and/or additional collateral depending on the creditworthiness of the applicable borrower or lessee and the nature of the collateral. SCF usually structures its equipment leases and loans to mature earlier than other material debt in the borrower's capital structure and will include multiple prepayment protections.

SCF enters into both capital (or finance) and operating (or true) leases. Most leases (whether capital or operating leases) are non-cancellable and triple-net, meaning that the lease obligates the lessee to pay all maintenance, insurance and taxes related to the applicable collateral. In addition, the term and amortization of any lease originated by SCF are shorter in duration than the useful life of the underlying assets, typically building equity over the term of the lease. These leases can provide significant fee income opportunities during the term and at the end of the initial lease term. Operating leases can provide certain other advantages. For example, in the event of a lessee bankruptcy, the lessee is required to accept or reject the lease within 60 days, or if the court extends the period, the lessee must continue paying the rental payments under the subject lease after the 60th day. When the lessee accepts the lease, it must cure all pre- and post-petition defaults. In the alternative, if the lessee rejects the lease, it must return the related equipment. Operating leases can also provide substantial tax benefits that result in enhanced after-tax yields (i.e. MACRS/bonus depreciation), accelerated return of capital and materially higher returns.

Underwriting
SCF generates the majority of its originations through prior relationships established during senior management's time with other equipment lenders and lessors as well as repeat customers given SCF history. Due diligence on a prospective origination begins with a review of publicly available industry and company specific materials related to the prospective obligor.

These materials may include:

- Confidential Investment Memoranda
- Bank books
- Industry research
- Management presentations
- Term sheets
- SEC Filings

The Asset Management Department completes a preliminary valuation analysis of the equipment or other collateral to be leased or pledged to forecast the appropriate depreciation curve using market and cost approaches, functional and economic obsolescence studies and utilization factors. Also, conditions of use and maintenance are specified. In connection with the preparation of the credit overview for a lease, the Asset Management Department completes a preliminary valuation of the equipment to be leased, including an estimate for the fair market value and orderly liquidation value at various points over the term of the lease, as well as preliminary conditions of use and maintenance for the equipment.

Upon completion of initial due diligence the deal team negotiates initial terms, documents and pricing. The deal team then compiles a credit memorandum for initial review by the credit committee. The credit overview includes:

- Transaction overview
- Company overview
- Industry overview
- Company capital structure
- Financial summary
- Prospective obligor's financial flexibility, i.e., other sources of capital
- Relative value analysis
- Valuation
- Transaction strengths and weaknesses
- Transaction risks and mitigants
- Other relevant information

The credit committee reviews the credit memorandum to determine if any follow up diligence is required. SCF's board members from Eldridge determine final approval for any contemplated lease or loan origination in excess of $15 million.

Servicing and Collections

SCF sends invoices to its customers on a monthly basis, at least two weeks before the applicable payment is due. Payments from customers made by wire or check are deposited into a lockbox account at UMB Bank, National Association.

On a daily basis, InfoLease, the software licensed by JDR Solutions (JDR), generates delinquency reports that alert SCF's Chief Financial Officer (the CFO) and Chief Risk Officer (the CRO) as to any payments not received by the contractual due date. The CRO will continuously monitor the portfolio to detect delinquent accounts and take appropriate action. Upon occurrence of a delinquency the CRO will advise the account underwriter, who will make contact with the customer and determine the reason for the past due payment. If the payment delinquency is the result of an invoicing issue or clerical error, the underwriter will provide any additional information required to the customer, advise the CRO, and follow up for receipt of the payment prior to month end. Should the delinquent payment persist past 30 days, the CRO will issue a written demand and will develop an appropriate action plan, including but not limited to restructure, default and or repossession and recovery of the collateral.

SCF accounts are considered 30 days delinquent when any scheduled payment is "next due" for the previous month. For example, as of December 31 any account with a "next due" in the month of November would be considered 30 days delinquent, those accounts with a "next due" in the month of October would be considered 60 days delinquent. The CRO, CFO and Chief Executive Officer (the CEO) conduct a monthly review of all delinquent accounts.

An account will be classified as "non-earning" if it is more than 90 days delinquent. Exceptions to this policy may be granted with written approval from the CRO, CFO and CEO in situations whereby no loss is anticipated and continuing to accrue earnings is appropriate. Reserves and charge-offs require written approval by the CRO, CFO and CEO and are determined on a case by case basis as soon as there is a high degree of certainty that amounts due will not be collected.

Equipment Management

SCF's Asset Management Department is responsible for the following:

- Collateral valuations
- Evaluation and approval of residual values
- Oversight and management of the Company's collateral for its portfolio
- Remarketing assets
- Establishing sale prices

SCF Asset Management also provides industry and collateral research, inspections and advisory functions. Asset Management's primary responsibilities are:

- During the underwriting process, providing collateral and industry analysis and values throughout the expected term; also providing values and situation assessments which are used in setting residual values
- Projecting future asset values and providing industry and collateral information to assist in making financial risk decisions
- Assisting in monitoring and managing equipment risk throughout the term of the transaction, which may include inspections, appraisals, and/or market research
- In the event of credit deterioration or internal credit downgrade, an inspection of the collateral and restatement of the assessment of collateral value accordingly if necessary
- Assisting in maximizing lease residual and collateral return sale realization
- Negotiating end of lease renewals and sales to customers
- When collateral is returned, remarketing in a commercially reasonable manner, with the objective to receive the highest overall value
- When selling assets, establishing sales prices and executing strategic objectives

SCF has partnered with several companies to assist the Company with a portion of its asset management duties. These companies also assist SCF with data collection, equipment inspection, monitoring/recovery, remarketing and appraisals.

Remarketing and Disposition

Prior to lease maturity SCF Asset Management will conduct an end of lease research and evaluation process to coordinate, document, and approve an acceptable range of value at which to dispose of the equipment on each schedule. The process considers the collateral, market conditions, the transaction structure, the creditworthiness of the client and the previous disposition tendency of the lessee. Disposition options, among others, include sales in-place to the lessee, lease renewals or sales to third parties.

Prior to lease maturity SCF Asset Management will provide updated values and establish a range of acceptable sale prices to negotiate with the lessee if selling in-place or allowing a lease renewal. The Head of Asset Management approves sales prices on transactions with net book balances under $5 million, as long as that sale price is above the net book balance. The Chief Executive Officer of SCF must approve sales prices on transactions with net book balances over $5 million or if the sales price is below the transaction's net book balance.

Asset Management always attempts to attain the highest net proceeds for all assets from the customer, except where the documentation clearly and expressly limits the upside available to SCF because of stated purchase prices or renewal terms. For sales to third parties, SCF Asset Management will have the collateral inspected and, in some cases, appraised to determine whether or not it has been maintained in accordance with the provisions of the lease. SCF Asset Management will manage the remarketing process. Current market conditions continued depreciation and carrying costs will be factored into the analysis to determine the timing and method of sale. Asset Management will remarket the collateral in a commercially reasonable manner, with the objective to receive the highest overall value.

In the event of a default or bankruptcy involving an aircraft transaction, SCF Asset Management seeks to pursue well-tested legal remedies in the applicable jurisdiction to enforce its rights, whether an aircraft is inside or outside the United States. SCF has strategic relationships with several aircraft operators and brokers that can be contracted on short notice to retrieve aircraft assets throughout the United States and internationally. Operators may provide an opportunity for SCF to generate revenue through charter while pursuing release or remarketing opportunities for the aircraft. If charter or release options are exhausted, SCF Asset Management would pursue remarketing the aircraft to its current customers and through the use of a strategic broker. SCF approves aircraft registration only in jurisdictions that have proven to protect the rights of aircraft lessors and lenders.

Collateral Analysis

The tables below provide details of the characteristics of the Initial ADCB.

The Initial ADCB is primarily comprised of monthly pay contracts.

Payment Frequency	Number of Contracts	Percentage of Number of Contracts	Discounted Contract Balance ($000s)	Percentage of Discounted Pool Balance
Monthly	54	96.43%	899,950	92.81%
Quarterly	2	3.57%	69,701	7.19%
Total	56	100%	969,651	100%

The weighted average seasoning of the pool is eight months. The weighted average original term of the pool is 80 months, and the weighted average remaining term is 72 months.

Original Term	Number of Contracts	Percentage of Number of Contracts	Discounted Pool Balance ($000s)	Percentage of Discounted Pool Balance
13 to 24 months	1	1.79%	12,605	1.30%
25 to 36 months	5	8.93%	29,487	3.04%
37 to 48 months	4	7.14%	32,996	3.40%
49 to 60 months	11	19.64%	74,864	7.72%
61 to 72 months	10	17.86%	151,368	15.61%
73 to 84 months	9	16.07%	313,550	32.34%
85 to 96 months	7	12.50%	23,387	2.41%
97 to 108 months	4	7.14%	284,084	29.30%
109 to 120 months	4	7.14%	32,523	3.35%
121 months	1	1.79%	14,789	1.53%
Total	56	100%	969,651	100%

Remaining Term	Number of Contracts	Percentage of Number of Contracts	Discounted Pool Balance ($000s)	Percentage of Discounted Pool Balance
1 to 12 months	1	1.79%	4,787	0.49%
13 to 24 months	6	10.71%	90,770	9.36%
25 to 36 months	14	25.00%	70,847	7.31%
37 to 48 months	1	1.79%	19,801	2.04%
49 to 60 months	19	33.93%	142,198	14.66%
61 to 72 months	6	10.71%	161,850	16.69%
73 to 84 months	3	5.36%	165,736	17.09%
85 to 96 months	2	3.57%	130,562	13.46%
97 to 108 months	2	3.57%	153,522	15.83%
109 months or more	2	3.57%	29,578	3.05%
Total	56	100%	969,651	100%

The top obligor represents 13.62% of the Initial ADCB.

Obligor Concentration	Number of Contracts	Percent of Number of Contracts	Discounted Pool Balance ($000s)	Percent of Discounted Pool Balance	Booked Residual Value ($000s)	Percent of Booked Residual Value
Obligor 1	1	1.79%	132,110	13.62%	0	10.71%
Obligor 2	1	1.79%	121,312	12.51%	0	0.00%
Obligor 3	1	1.79%	103,263	10.65%	26,500	7.22%
Obligor 4	2	3.57%	89,438	9.22%	0	7.30%
Obligor 5	2	3.57%	69,701	7.19%	11,618	0.00%
Obligor 6	1	1.79%	50,258	5.18%	0	0.00%
Obligor 7	3	5.36%	41,803	4.31%	0	0.00%
Obligor 8	1	1.79%	36,829	3.80%	0	0.00%
Obligor 9	2	3.57%	29,578	3.05%	22,694	3.84%
Obligor 10	1	1.79%	28,654	2.96%	0	12.01%
All others	41	73.21%	266,705	27.51%	44,546	58.91%
Total	56	100%	969,651	100%	105,358	100%

Aside from the top three obligors, all other obligors are less than 10% of the Initial ADCB.

Obligor SIC Description				
Obligor SIC Description	**Number of Contracts**	**Percent of Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percent of Discounted Pool Balance**
Water Transportation	1	1.79%	132,110	13.62%
Water Transportation Services, Not Elsewhere Classified	1	1.79%	121,312	12.51%
Petroleum Refining	2	3.57%	115,868	11.95%
Industrial Sand	2	3.57%	89,438	9.22%
Plastics Materials, Synthetic Resins, and Nonvulcanizable Elastomers	2	3.57%	69,701	7.19%
Electric Services	4	7.14%	55,619	5.74%
Crude Petroleum and Natural Gas	3	5.36%	52,012	5.36%
Fabricated Plate Work (Boiler Shops)	1	1.79%	50,258	5.18%
Railroads, Line-Haul Operating	4	7.14%	43,945	4.53%
Ceramic Wall and Floor Tile	1	1.79%	36,829	3.80%
Motor Vehicle Parts and Accessories	3	5.36%	32,246	3.33%
Computer Processing and Data Preparation and Processing Services	3	5.36%	23,491	2.42%
Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution	1	1.79%	19,801	2.04%
Natural Gas Distribution	1	1.79%	18,194	1.88%
Motion Picture and Video Tape Production	4	7.14%	17,143	1.77%
Air Transportation, Scheduled	4	7.14%	16,809	1.73%
Commercial Physical and Biological Research	1	1.79%	16,253	1.68%
Sawmills and Planing Mill	1	1.79%	14,161	1.46%
Propane and LP Gas Dealer	7	12.50%	11,459	1.18%
Industrial and Commercial	1	1.79%	9,251	0.95%
Oil & Gas Field Services	2	3.57%	9,025	0.93%
Trucking	1	1.79%	4,787	0.49%
Natural Gas Liquids	1	1.79%	3,562	0.37%
Water Transportation of Freight, Not Elsewhere Classified	1	1.79%	3,366	0.35%
Membership Sports and Recreation Clubs	3	5.36%	2,429	0.25%
Airports, Flying Fields, and Airport Terminal Services	1	1.79%	584	0.06%
Total	56	100%	969,651	100%

Outside of the top three, the collateral types are less than 10% each of the Initial ADCB.

Collateral Description				
Collateral Description	**Number of Contracts**	**Percent of Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percent of Discounted Pool Balance**
Marine Vessels	3	5.36%	256,788	26.48%
Manufacturing and Assembly	10	17.86%	174,180	17.96%
Refinery	1	1.79%	103,263	10.65%
Sand Plant	1	1.79%	75,560	7.79%
Portable Power	5	8.93%	73,813	7.61%
Chemical Plant	2	3.57%	69,701	7.19%
Rail	5	8.93%	56,550	5.83%
Corporate Aircraft	1	1.79%	36,829	3.80%
Transportation/Trailers/Trucks	12	21.43%	33,389	3.44%
Computer/IT Infrastructure	3	5.36%	23,491	2.42%
Gas Compression Plant	1	1.79%	19,801	2.04%
Engine Equipment	4	7.14%	16,809	1.73%
Other	4	7.14%	16,307	1.68%
Oil & Gas Related	3	5.36%	12,587	1.30%
Airport Ground Equipment	1	1.79%	584	0.06%
Total	56	100%	969,651	100%

The majority of the pool is leases.

Equipment Contract Type				
Equipment Contract Type	**Number of Contracts**	**Percentage of Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percentage of Discounted Pool Balance**
Loan	24	42.86%	322,485	33.26%
Lease	32	57.14%	647,166	66.74%
Total	56	100%	969,651	100%

All contracts have a prepayment option.

Prepayment Option				
Prepayment Option	**Number of Contracts**	**Percentage of Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percentage of Discounted Pool Balance**
Prepayable	56	100.00%	969,651	100.00%
Total	56	100%	969,651	100%

Most of the pool is concentrated in SCF Risk Ratings 5 and 6.

SCF Risk Ratings				
SCF Risk Ratings	**Number of Contracts**	**Percentage of Total Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percentage of Discounted Pool Balance**
4+	4	7.14%	43,945	4.53%
4	1	1.79%	12,605	1.30%
5	6	10.71%	412,561	42.55%
5-	3	5.36%	82,613	8.52%
6+	3	5.36%	52,012	5.36%
6	39	69.64%	365,915	37.74%
Total	56	100%	969,651	100%

Aside from the top three states, all other states (and Canada) comprise less than 10% of ADCB each.

Location of Obligor				
Location of Obligor	**Number of Contracts**	**Percentage of Total Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percentage of Discounted Pool Balance**
Louisiana	3	5.36%	256,788	26.48%
Texas	15	26.79%	245,320	25.30%
Indiana	1	1.79%	103,263	10.65%
Canada	3	5.36%	52,012	5.36%
Georgia	1	1.79%	50,258	5.18%
Kansas	8	14.29%	48,288	4.98%
Michigan	4	7.14%	37,032	3.82%
Pennsylvania	5	8.93%	33,396	3.44%
Virginia	3	5.36%	30,162	3.11%
Alabama	1	1.79%	19,801	2.04%
New York	1	1.79%	18,194	1.88%
Ireland	4	7.14%	16,809	1.73%
Minnesota	2	3.57%	14,367	1.48%
Oregon	1	1.79%	14,161	1.46%
Ohio	1	1.79%	12,605	1.30%
Florida	1	1.79%	9,251	0.95%
Illinois	1	1.79%	4,289	0.44%
Colorado	1	1.79%	3,655	0.38%
Total	56	100%	969,651	100%

The majority of the ADCB is concentrated in discounted contract balances of $20 million or more.

Discounted Contract Balances	Number of Contracts	Percentage of Total Number of Contracts	Discounted Pool Balance ($000s)	Percent of Discounted Pool Balance
$0 to $1,000,000	4	7.14%	2,630	0.27%
$1,000,001 to $2,000,000	7	12.50%	9,804	1.01%
$2,000,001 to $3,000,000	3	5.36%	6,840	0.71%
$3,000,001 to $4,000,000	4	7.14%	14,475	1.49%
$4,000,001 to $5,000,000	7	12.50%	30,237	3.12%
$5,000,001 to $6,000,000	1	1.79%	5,369	0.55%
$7,000,001 to $8,000,000	3	5.36%	21,442	2.21%
$9,000,001 to $10,000,000	3	5.36%	28,823	2.97%
$12,000,001 to $13,000,000	4	7.14%	49,747	5.13%
$13,000,001 to $14,000,000	2	3.57%	27,695	2.86%
$14,000,001 to $15,000,000	3	5.36%	43,739	4.51%
$16,000,001 to $17,000,000	1	1.79%	16,253	1.68%
$18,000,001 to $19,000,000	3	5.36%	55,645	5.74%
$19,000,001 to $20,000,000	2	3.57%	39,267	4.05%
$20,000,001 or more	9	16.07%	617,687	63.70%
Total	56	100%	969,651	100%

The weighted average IRR is 10.28%.

Implicit Rate*	Number of Contracts	Percent of Number of Contracts	Discounted Pool Balance ($000s)	Percent of Discounted Pool Balance
6.51% to 7.00%	2	3.57%	14,367	1.48%
7.01% to 7.50%	4	7.14%	16,809	1.73%
7.51% to 8.00%	4	7.14%	35,544	3.67%
8.01% to 8.50%	3	5.36%	23,092	2.38%
8.51% to 9.00%	3	5.36%	14,622	1.51%
9.01% to 9.50%	11	19.64%	223,405	23.04%
9.51% to 10.00%	2	3.57%	140,777	14.52%
10.01% or more	27	48.21%	501,035	51.67%
Total	56	100%	969,651	100%

* “Implicit rate” refers to a Contract’s implicit rate of return (in the case of an equipment lease) or a Contract’s interest rate (in the case of an equipment loan).

Approximately 10.65% of the Initial ADCB was originated in 2025 Q1.

Quarter of Origination	Number of Contracts	Percent of Number of Contracts	Discounted Pool Balance ($000s)	Percent of Discounted Pool Balance
2019 Q4	4	7.14%	9,862	1.02%
2020 Q1	2	3.57%	2,805	0.29%
2020 Q2	5	8.93%	23,316	2.40%
2020 Q3	1	1.79%	3,366	0.35%
2022 Q4	1	1.79%	584	0.06%
2023 Q4	1	1.79%	37,837	3.90%
2024 Q1	2	3.57%	79,912	8.24%
2024 Q2	9	16.07%	89,382	9.22%
2024 Q3	16	28.57%	136,645	14.09%
2024 Q4	14	25.00%	482,680	49.78%
2025 Q1	1	1.79%	103,263	10.65%
Total	56	100%	969,651	100%

Approximately 21.42% of the Initial ADCB has balloon payments.

Final Balloon Payment (As Percent of Discounted Contract Balance)*				
Final Balloon Payment (As Percent of Discounted Contract Balance)	**Number of Contracts**	**Percentage of Total Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percentage of Discounted Pool Balance**
0.00%	42	75.00%	556,696	57.41%
20.01% to 25.00%	1	1.79%	13,879	1.43%
30.01% to 35.00%	1	1.79%	121,312	12.51%
35.01% to 40.00%	1	1.79%	36,829	3.80%
40.01% to 45.00%	3	5.36%	41,803	4.31%
55.01% to 60.00%	4	7.14%	16,809	1.73%
65.01% to 70.00%	1	1.79%	132,110	13.62%
70.01% to 75.00%	2	3.57%	32,020	3.30%
80.01% to 85.00%	1	1.79%	18,194	1.88%
Total	56	100%	969,651	100%

* For certain equipment loan Contracts, Final Balloon Payments represent the final contractual payment made under such Contract. For the applicable equipment loan Contracts, this equates to the unamortized loan balance outstanding at maturity of such Contracts.

The aggregate booked residual value as of the Initial ADCB is approximately 10.87%.

Booked Residual Values (As Percent of Discounted Contract Balance)				
Booked Residual Values (As Percent of Discounted Contract Balance)	**Number of Contracts**	**Percentage of Total Number of Contracts**	**Discounted Pool Balance ($000s)**	**Percentage of Discounted Pool Balance**
0.00%	32	57.14%	647,166	66.74%
0.01% to 5.00%	2	3.57%	19,202	1.98%
10.01% to 15.00%	1	1.79%	16,253	1.68%
15.01% to 20.00%	4	7.14%	89,274	9.21%
20.01% to 25.00%	2	3.57%	16,328	1.68%
25.01% to 30.00%	1	1.79%	103,263	10.65%
35.01% to 40.00%	1	1.79%	1,929	0.20%
40.01% to 45.00%	5	8.93%	8,700	0.90%
45.01% to 50.00%	1	1.79%	830	0.09%
50.01% to 55.00%	1	1.79%	5,369	0.55%
65.01% to 70.00%	1	1.79%	4,787	0.49%
75.01% to 80.00%	2	3.57%	29,578	3.05%
85.01% to 90.00%	2	3.57%	14,367	1.48%
95.01% to 100.00%	1	1.79%	12,605	1.30%
Total	56	100%	969,651	100%

KBRA Loss Expectation

KBRA's loss expectation accounts for the historical performance of SCF's existing equipment ABS as well as its managed portfolio performance. Since SCF began originations in 2015, the Company has static pool data for about nine years. To date, the Company's previous 13 securitizations, including Granite Park 2023-1, have not experienced any 180+ days past due delinquencies or defaults, therefore no recovery data is available on the ABS transactions. SCF's managed portfolio has zero credit losses on $14.0 billion of funded volume since inception. SCF's annualized default rate since inception is 1.40%, with an average recovery rate of 105% on $512 million of financings since inception. Below is a summary of SCF's managed pool performance since 2015. The data shows that SCF has not experienced a principal loss since inception. Recovery rates have either fully covered the gross loss or, in some cases exceeded the gross loss amount, leading to principal gains.

SCF Default/Loss History										
Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Owned Portfolio ($ millions)	$333.0	$926.0	$1,610.0	$2,028.0	$2,720.0	$3,170.0	$3,347.0	$4,610.0	$5,071.0	$5,822.0
Gross Defaults $	$0.0	$54.0	$13.0	$26.0	$62.0	$72.0	$18.0	$25.0	$34.0	$1.0
Gross Defaults %	0.0%	5.8%	0.8%	1.3%	2.3%	2.3%	0.5%	0.5%	0.7%	0.0%
Recovery $	$0.0	$54.0	$15.0	$29.0	$62.0	$78.0	$19.0	$25.0	$34.0	$1.0
Recovery Rate %	-	102.0%	114.0%	113.0%	100.0%	108.0%	109.0%	102.0%	100.0%	100.0%
Net Loss %	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

In addition to considering SCF's managed portfolio gross and net losses and performance of the SCF equipment ABS, KBRA considers data provided by the Company's senior management with aggregate originations, default and recovery data during the period when senior management was operating as an equipment lessor and lender for another company from 2004 through 2013.

SCF Senior Management Loss Data	
Originations 2004 through 2013	
Total Origination Balance ($ MM)	$4,679.3
Total Gross Defaults ($ MM)	$549.2
Total Recovery Amount ($ MM)	$505.8
Total Net Losses ($ MM)	$43.4
Defaulted Loans 2004 through 2013	
% of Total Gross Defaults	11.74%
% of Total Recovery	10.81%
% Cumulative Net Losses	0.93%
% Recovery	92.1%

KBRA's recovery rate assumptions consider the performance of SCF's existing securitizations as well as recovery rates on the Company's managed portfolio. Since static pool data throughout an economic downturn period is not available, KBRA also considers SCF's senior management's performance data from 2004 through 2013 while working in various leadership roles at a prior company. KBRA reviewed the recovery data senior management experienced during the economic downturn, 2007 through 2009. During this 3-year period senior management experienced approximately 62% of the total defaults realized from 2004 through 2013. Recoveries during the economic downturn were approximately 97%.

Recovery information for the respective defaults is shown below:

SCF Senior Management - Recovery Data								
Year	Business	Type	Collateral	Original Net Investment ($ MM)	Original LTV	Loan Amount at Default ($ MM)	Recovery ($ MM)	Recovery (%)
2006	Manufacturing	Sr Secured Debt	Corporate Assets	$15.0	n.a.	$14.9	$4.0	26.8%
	Soft Drink Manufacturing	Lease Finance	Bottling Equipment	$26.0	0.60x	$26.0	$11.6	44.6%
	Manufacturing	Loan Finance	Motor Coach Inventory	$20.0	1.00x	$14.3	$14.2	99.3%
	Transportation	Loan Finance	Marine Vessels	$45.0	1.87x	$30.0	$31.2	104.0%
2007	Manufacturing	Lease Finance	Plastic Injection Molding Equipment	$10.3	1.03x	$6.6	$6.6	100.0%
	Transportation	Lease Finance	Motor Coaches	$21.5	0.74x	$22.1	$22.1	100.0%
	Transportation	Lease Finance	Transportation Equipment	$44.7	0.74x	$46.4	$50.1	108.0%
	Oil Field Services	Loan Finance	Drilling Rigs	$15.0	1.30x	$15.1	$15.3	101.3%
	Printing	Loan Finance	Printing Equipment	$13.2	0.87x	$12.0	$12.2	101.7%
2008	Transportation	Lease Finance	Transportation Equipment	$19.0	0.76x	$3.6	$3.6	100.0%
	Construction	Lease Finance	Concrete Pump Trucks	$17.3	0.85x	$15.7	$16.0	101.9%
	Convenience Store	Loan Finance	Real Estate and Improvements	$18.5	1.73x	$11.5	$12.9	112.2%
	Mining	Loan Finance	Mining Equipment	$15.0	0.83x	$10.5	$10.5	100.0%
	Manufacturing	Lease Finance	Machine Tools	$12.0	0.63x	$7.3	$7.3	100.0%
	Restaurant	Loan Finance	Real Estate and Improvements	$2.7	0.78x	$2.6	$2.7	103.8%
	Manufacturing	Lease Finance	Plastic Injection / Paint Line	$15.0	0.44x	$6.9	$6.9	100.0%
	Semiconductor Manufacturing	Lease Finance	Semiconductor Manufacturing Tools	$50.0	0.82x	$35.0	$16.6	47.4%
	Printing	Lease Finance	Printing Equipment	$24.7	0.78x	$22.1	$23.5	106.3%
	Restaurant	Loan Finance	Real Estate and Improvements	$15.0	0.46x	$8.2	$8.2	100.0%
	Semiconductor Manufacturing	Lease Finance	Semiconductor Manufacturing Tools	$14.6	0.79x	$7.0	$7.0	100.0%
	Transportation	Lease Finance	Transportation Equipment	$14.0	0.79x	$3.1	$3.1	100.0%
	Restaurant	Loan Finance	FF&E	$0.7	0.07x	$0.7	$0.7	100.0%
	Transportation	Loan Finance	Helicopters	$27.7	1.05x	$29.3	$29.3	100.0%
2009	Construction	Loan Finance	Construction Equipment	$12.0	0.80x	$4.5	$4.5	100.0%
	Equipment Rental	Lease Finance	Transportation Equipment	$5.8	0.76x	$5.0	$5.0	100.0%
	Marine Storage & Repair	Loan Finance	Marine Vessels	$17.8	1.20x	$3.2	$3.2	100.0%
	Restaurant	Loan Finance	FF&E	$3.9	0.05x	$3.3	$3.3	100.0%
	Marine	Loan Finance	Marine Vessel	$22.4	1.51x	$11.6	$11.7	100.9%
	Marine Transportation	Loan Finance	Barges	$20.2	0.95x	$15.9	$15.9	100.0%
	Manufacturing	Loan Finance	Polymer Manufacturing Facility	$10.0	2.00x	$7.5	$7.6	101.3%
	Paper & Packaging	Lease Finance	Forklifts	$1.1	0.60x	$0.8	$0.8	100.0%
	Marine Transportation	Loan Finance	Marine Vessels	$35.0	1.43x	$22.8	$22.8	100.0%
2010	Construction	Lease Finance	Oil Field Construction Equipment	$27.0	0.88x	$19.0	$13.4	70.5%
2011	Marine Transportation	Loan Finance	Marine Vessel	$27.0	1.23x	$12.6	$8.2	65.1%
2012	Transportation	Loan Finance	Motor Coach & Shuttle Buses	$22.6	0.74x	$9.4	$11.2	119.1%
2013	Electronics	Lease Finance	Electronic Assembly Equipment	$20.6	0.60x	$2.7	$2.7	100.0%
	Marine Transportation	Loan Finance	10 Marine Vessels	$80.0	1.00x	$80.0	$80.0	100.0%
Total						**$549.2**	**$505.9**	**92.1%**

Obligor Credit Risk

In addition to considering SCF management's historical loss data during prior downturns, KBRA developed credit estimates for the obligors in the pool. The credit estimates along with the respective ADBs of the obligors and term for the securitization were included in a KPLS to determine the projected defaults for different rating categories over the tenor of the Notes.

Class	% of Defaulted Securitization Value
A	74.8%
B	66.6%
C	60.2%
D	54.3%
E	52.7%
F	38.4%

Application of Defaults

Based on the results of the KPLS simulation a default timing curve was generated. From the cumulative default curve, it was determined that approximately 95% of defaults occurred within four years. Based on this result the default timing curve was applied to the projected defaults for the obligors.

Year	Default Timing
1	45%
2	25%
3	15%
4	10%
5	5%

Cashflow Analysis

KBRA performed cash flow modeling to determine whether the projected cash flow from the Contracts and assets, under stress assumptions consistent with the Notes' ratings, is sufficient to pay timely interest and ultimate principal. The analysis considers a number of key inputs:

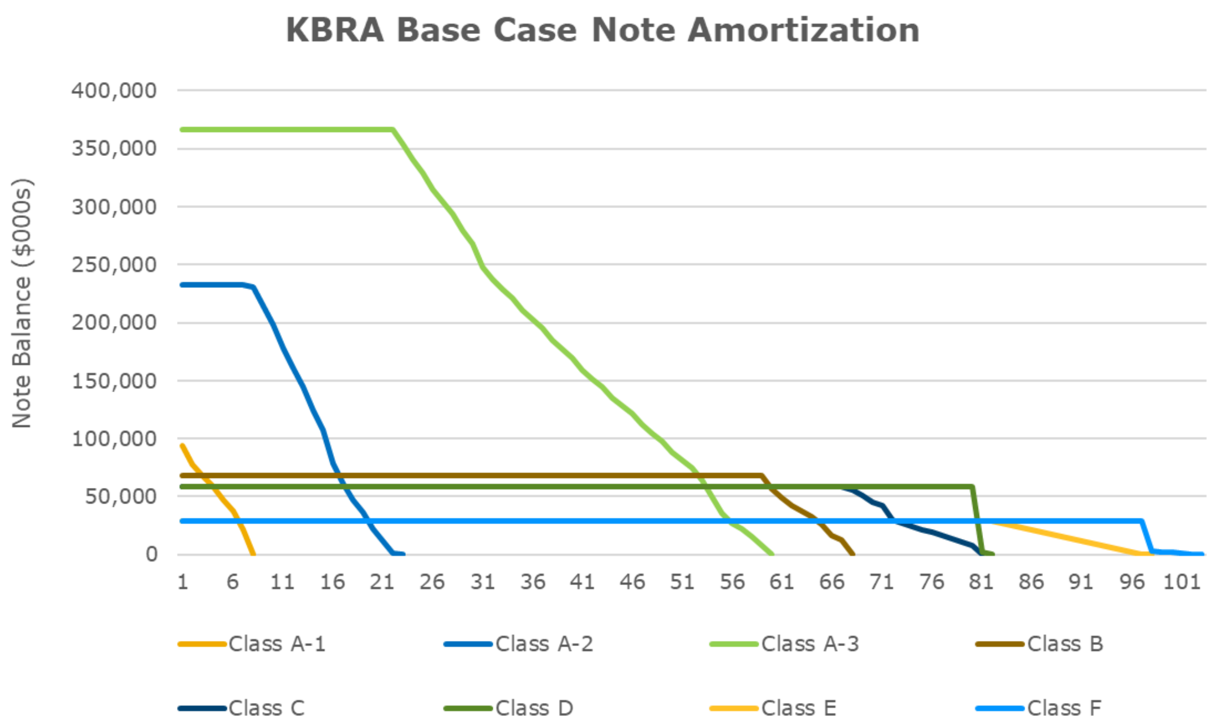
- Default rates and timing as projected from the KPLS analysis
- Time to recovery
- Recovery rate

Base Case Cash Flow Assumptions

KBRA's base case assumptions are summarized below:

- Cumulative defaults of 23.6% applied against portfolio.
- Recovery rate of 90%.
- Cumulative net losses of 2.36%.
- 6-month recovery lag.
- 0% haircut to equipment residual value.
- Default timing curve is 45%/25%/15%/10%/5%.
- All Additional contracts are purchased on the first anniversary.

The graph below shows the repayment of each class under the base case assumptions.



Cashflow Stress Scenarios and Results

KBRA applied stresses to its base case assumptions, consistent with each class' rating, to determine if projected cashflows under each stress scenario are sufficient to repay timely interest and ultimate principal to each class. The table below shows the stresses applied to each class of notes consistent with their rating. The rating stress cumulative gross loss reflects default rates generated, at the class' rating level, under the KPLS model. The rating stress cumulative net loss represents the multiple times the cumulative net loss for the class' rating (applying the stressed recovery rate for that rating).

SCF 2025-1 Cashflow Results*				
Class	**CGL**	**CNL**	**Residual Haircut**	**Stress Paydown**
A-1	74.8%	16.5%	65.0%	12
A-2	74.8%	16.5%	65.0%	43
A-3	74.8%	16.5%	65.0%	83
B	66.6%	15.3%	60.0%	81
C	60.2%	13.4%	51.7%	84
D	54.3%	11.0%	41.7%	92
E	52.7%	9.4%	35.0%	96
F	38.4%	8.6%	31.7%	118

*Paydown is shown in periods.

The multiples applied are above the range for each rating in KBRA's [Equipment Lease & Loan Global ABS Methodology](). Higher multiples are applied as a result of obligor concentrations. The recovery rate (i.e. the difference between the CGL and CNL) for each rating represents a stress below the base case recovery rate. KBRA applies recovery rate stresses that are outside the stress ranges in KBRA's [Equipment Lease & Loan Global ABS Methodology]() to reflect the absolute levels of the recovery rates and the size and essential-use nature of the equipment. The repayment period represents the period of repayment for the class under the stress assumptions for its rating. Based on the stressed cashflows, each class is repaid by its legal final maturity date under the stress assumptions consistent with the class' rating. KBRA considered an additional stress scenario for the Class A-1 Notes. Under the stress scenario shown in the table, the Class A-1 Notes are repaid one month prior to their legal final maturity date. Under the additional scenario, no losses and no prepayments were assumed. Under this scenario, the Class A-1 notes repay in full by month twelve, which is one month prior to their legal final maturity date.

Rating Sensitivity and Surveillance

The ratings assigned to SCF 2025-1 will be monitored through the life of the transaction. If performance of the transaction, including losses, differs meaningfully from the expected levels, KBRA may consider making a rating change.

The table below illustrates the potential for downgrade of each investment grade rated class if the expected cumulative net loss levels exceed initial expectations based upon the leverage in the transaction currently. 'Stable' means a downgrade is unlikely. 'Moderate' means a potential downgrade of up to one rating category is possible. 'Severe' indicates a multi-category downgrade is possible. The scenarios below account for multiples of coverage as well as obligor concentrations.

Class and Rating Sensitivity					
CNL Increase	**Class A**	**Class B**	**Class C**	**Class D**	**Class E**
0%	Stable	Stable	Stable	Stable	Stable
10%	Stable	Stable	Stable	Stable	Stable
20%	Stable	Stable	Stable	Stable	Stable
30%	Stable	Stable	Stable	Stable	Stable
40%	Stable	Stable	Stable	Moderate	Moderate
50%	Stable	Stable	Moderate	Moderate	Moderate
60%	Stable	Moderate	Moderate	Moderate	Moderate
70%	Stable	Moderate	Severe	Severe	Severe
80%	Moderate	Moderate	Severe	Severe	Severe
90%	Moderate	Severe	Severe	Severe	Severe
100%	Severe	Severe	Severe	Severe	Severe

It should be noted that many factors, including economic stress, market conditions and servicing operations can impact the performance of the portfolio and influence rating decisions. Furthermore, the table considers the current credit enhancement available to the transaction as well as KBRA's assumptions regarding the timing of losses.

ESG Considerations

KBRA ratings incorporate relevant credit factors, including those that relate to Environmental, Social, and Governance (ESG). The following section highlights ESG considerations that are generally associated with ABS securitizations such as the subject transaction. Transaction-specific ESG factors are highlighted below, where applicable, using Environmental, Social, and Governance indicators.

Environmental Factors

Climate Change and Natural Disasters

Climate change, natural disasters, and the outbreak of epidemic disease can pose long-term economic risk that can put meaningful and, at times, sudden, pressure on transaction cash flow. Portfolio diversity can help mitigate this risk relative to more concentrated pools. Conversely, high collateral concentration leaves the pool susceptible to adverse economic conditions, changing consumer preferences, regional recessions, and natural disasters, which may negatively affect transaction collections and / or performance. Certain states are vulnerable to natural disasters such as earthquakes, wildfires, and hurricanes. The occurrence of such an event may cause reductions to transaction net cash flow. KBRA's analytical process considers collateral diversification; for more information, please see the Collateral Analysis section of this report.

- The pool's largest state exposure is Louisiana (26.48%).

Environmental Laws/Regulations

The effects of various environmental laws and regulations may negatively affect the equipment industry. Many aspects of equipment leasing operations, including emissions levels, air, water, solid waste, hazardous and toxic materials, and noise pollution are subject to environmental, health and safety laws, and regulations. Regulatory developments could adversely affect operations and increase operating costs in the equipment industry. KBRA considers how a manager indicates it monitors and responds to such laws and regulations. Please refer to the Originator and Servicer Review section for additional information.

Equipment ABS transactions may include vehicles, such as trucks, that are subject to emissions standards. When these standards change, the recovery value of older, non-compliant vehicles can be negatively impacted. KBRA determines base case recovery rates for equipment pools and applies stresses to the base case to ultimately determine a cumulative net loss assumption. The base case recovery rates are determined using historical static pool data, which can be impacted by changing emissions standards for pools that include a material portion of vehicle collateral.

Social Factors

Demographic and Economic Trends

Changes in demographic trends and the overall direction of the economy can impact consumer preferences, affecting the long-term viability of the products and services that drive transaction cash flow. Please see the Collateral Analysis section for details.

Governance Factors

Key Transaction Parties

KBRA considers the capabilities of key parties and their respective affiliates involved in effectuating transaction functions in its analysis, including, but not limited to, the originator, primary servicer, back-up servicer and other parties, as applicable. The governance structure (e.g. underwriting criteria, loss mitigation, collateral management, collections policies, recovery process, residual setting policies, disaster recovery) employed by the Company for originating and servicing the equipment is an important credit consideration in KBRA's analysis. KBRA typically considers the impact, if any, of the relative strengths and weaknesses of the transaction parties, which may lead to adjustments (positive or negative) in its base case assumptions. Please refer to the Originator and Servicer Review section for additional information regarding the transaction parties and servicing of collateral.

Structure

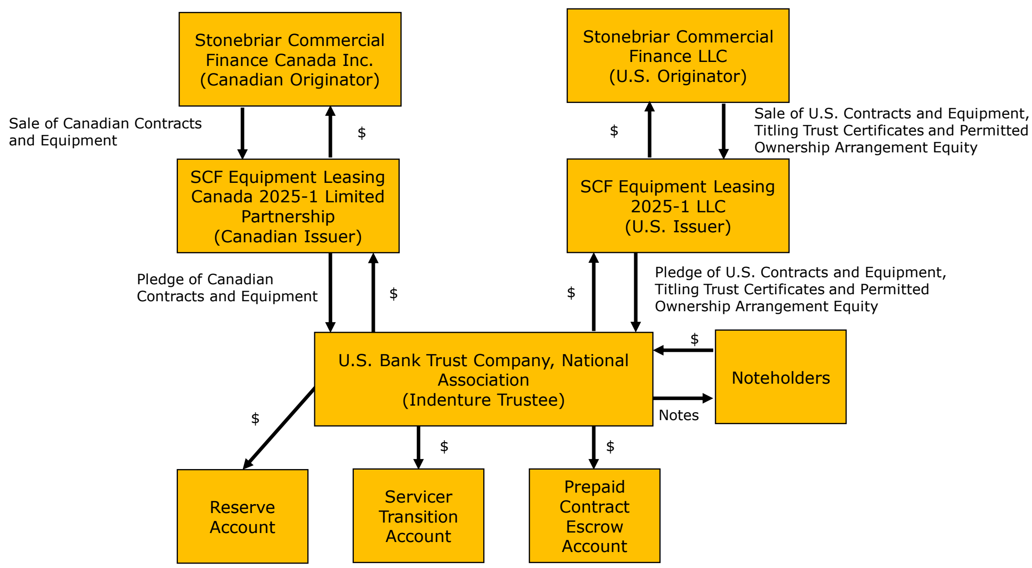
Transaction structure is an important governance factor in structured finance transactions as many structural aspects, such as adherence to representations and warranties, indemnification obligations in place, compliance with origination standards and eligibility criteria and / or concentration limits, if applicable, reporting of collateral performance, debt service and event-related triggers, and segregation and application of cashflows, require parties to act in good faith and certify the accuracy of such information. Failure to do so could impact actual performance. KBRA considers the transaction structural features such as, but not limited to: cash management arrangements; operational complexity of the business; reserve requirements for upfront and ongoing obligations; waterfall provisions; the bankruptcy remoteness of the Issuer; and underlying collateral for the debt, as applicable, in the ratings analysis. KBRA considers these structural features, credit enhancement, and transaction documents during the course of our credit analysis and ratings assignment process. Please refer to the Transaction Structure section for additional information regarding the structure.

Transaction Structure

The following is intended to be a concise summary of the transaction structure. It does not contain all the information that may be relevant to understanding the transaction's mechanics, which are available in the offering materials and/or transaction documents.

Legal Structure

Transaction Diagram



Priority of Payments Prior to an Event of Default

On each payment date prior to an event of default, payments are made in the following order of priority:

(i) Servicer fee (1% per year or 1.25% per year for successor servicer), backup servicer fee (greater of $3,500 per month and 0.0095% per year), trustee fees, custodian fees, out of pocket expenses and indemnitees to the backup servicer, indenture trustee, custodian and securities intermediary (subject to a cap of $250,000 per year not including a $125,000 one-time successor fee), and transition costs (subject to a cap of $125,000);
(ii) Servicing charges and unreimbursed collection costs to the servicer;
(iii) Class A note interest;
(iv) If the Class A notes exceed the pool balance, pay principal sequentially to extent of such excess;
(v) Class B note interest;
(vi) If the Class A and B notes exceed the pool balance, pay principal sequentially to extent of such excess;
(vii) Class C note interest;
(viii) If the Class A, B and C notes exceed the pool balance, pay principal sequentially to extent of such excess;
(ix) Class D note interest;
(x) If the Class A, B, C and D notes exceed the pool balance, pay principal sequentially to the extent of such excess;
(xi) Class E note interest;
(xii) If the Class A, B, C, D and E notes exceed the pool balance, pay principal sequentially to the extent of such excess;
(xiii) Class F note interest;
(xiv) If the Class A, B, C, D, E and F notes exceed the pool balance, pay principal sequentially to the extent of such excess;
(xv) Class G note interest;
(xvi) If the sum of all classes exceeds the pool balance, pay principal sequentially to the extent of such excess;

(xvii) To the reserve account up to the required balance;
(xviii) Pay principal sequentially on the notes in an amount equal to the excess of the note balance plus the overcollateralization target over the pool balance. If the Cumulative Net Loss Trigger Event has occurred, pay all principal sequentially.
(xix) Pay amounts not paid in (i) above because of caps and pay fees, expenses or other payments owing under the hedge to Canadian issuer;
(xx) Pay intercompany obligations of the Issuers; and
(xxi) To the Issuers or their respective designees.

"Overcollateralization Target Amount" means the greater of (i) 7.00% of the ADCB or (ii) 2.00% of the Initial ADCB.

Cumulative Net Loss Trigger

On any determination date if the Cumulative Net Loss Percentage for the portfolio exceeds the levels in the table below, a Cumulative Net Loss Trigger Event is in effect.

Payment Dates After Closing Date	Cumulative Net Loss Trigger Level
1-6	2%
7-12	3%
13-24	5%
24+	6.25%

Priority of Payments following an Event of Default

On each payment date following an event of default, payments are made in the following order of priority:

(i) Fees, out of pocket expenses and indemnity amounts to the indenture trustee, backup servicer, custodian and securities intermediary;
(ii) Servicer Fee;
(iii) Servicing charges and collection costs to the servicer;
(iv) Class A note interest;
(v) First, to pay Class A-1 principal until balance is reduced to zero, and second, pro rata, to pay Class A-2 and Class A-3 principal until balance is reduced to zero;
(vi) Class B note interest;
(vii) Class B principal until balance is reduced to zero;
(viii) Class C note interest;
(ix) Class C principal until balance is reduced to zero;
(x) Class D note interest;
(xi) Class D principal until balance is reduced to zero;
(xii) Class E note interest;
(xiii) Class E principal until balance is reduced to zero;
(xiv) Class F note interest;
(xv) Class F principal until balance is reduced to zero;
(xvi) Class G note interest;
(xvii) Class G principal until balance is reduced to zero;
(xviii) Pay intercompany obligations of the Issuers; and
(xix) To the Issuers or their respective designees.

Events of Default	Events of default include: (i) failure to pay interest on the most senior class outstanding (for five business days); (ii) failure to perform or observe a covenant by the issuer, any titling trust any maritime trust or any aircraft trust (for five business days for reporting covenants or 30 business days for other covenants); (iii) representation or warranty breach by the issuer, any titling trust or any aircraft trust (for 30 business days); (iv) bankruptcy of the issuer; (v) failure to pay the principal balance and all interest due on any class of notes by final maturity date; or (vi) the issuer, any titling trust, any maritime trust or any aircraft trust becomes subject to registration as an "investment company".
Servicing Termination Event	The occurrence of any of the following events will be an "event of servicing termination" under the servicing agreement: (i) failure by the Servicer to make any payment, transfer or deposit required under the Servicing Agreement or failure to provide the Indenture Trustee with instructions to make such payment, transfer or deposit and such failure in either case is unremedied for 5 business days; (ii) the Servicer fails in any material respect to perform or observe any material term, covenant or agreement under the servicing agreement or transaction document and such failure remains unremedied for 31 calendar days after Servicer had actual knowledge of such failure; (iii) any representation, warranty, certification or statement made by the Servicer in the servicing agreement or in any other transaction document proves to have been incorrect in any material respect when made (or deemed made) and such situation, if susceptible to cure, is not remedied within 31 calendar days after Servicer had actual knowledge of such incorrectness; or (iv) certain bankruptcy events occur with respect to the Servicer.
Transaction Amendment Process	The transaction's indenture may be amended without the consent of noteholders in order to make certain limited amendments provided that such amendment will not have a material adverse effect on the interest of any noteholder and the Rating Agency Notice is satisfied. The purchase and contribution agreement and the servicing agreement may be amended with the consent of the Control Party, provided that the Control Party's consent is not required if the rating agency condition is satisfied or an opinion is provided that the amendment would not have a material adverse effect on the rights of the noteholders. The consent of each noteholder is required to amend the purchase and contribution agreement or the servicing agreement if such consent is required under the terms of the indenture. The rating agency condition is satisfied in the case of KBRA if KBRA has been given 10 business days' notice and has not notified the Issuers or the Indenture Trustee that the action will result in the reduction, downgrade or withdrawal of its ratings of the notes.
Representations & Warranties	For more detailed information regarding the representations, warranties and enforcement mechanisms available under the transaction documents, please see KBRA's Representations and Warranties Disclosure. The Representations and Warranties Disclosure is available here.