

Optimize Portfolio Performance

SOLUTIONS MANAGEMENT GROUP INTERNATIONAL

A DIVISION OF NATIONAL LOAN EXCHANGE (NLEX™)

SMGI
Solutions Management Group International

Why Us?

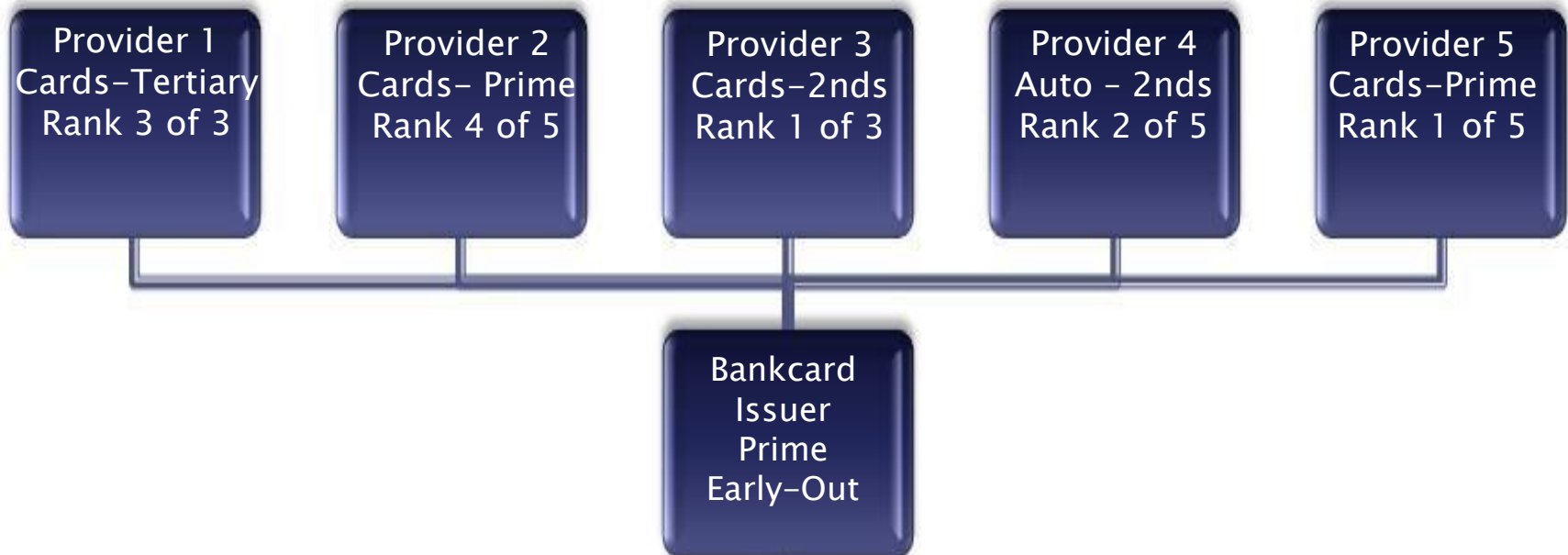
- ▶ Network of the World's best Providers
- ▶ Best Fit Provider
 - One size *does not* fit all
 - Needs based recommendation
- ▶ Best Practices
 - Experienced Professionals provide insight to Clients and Providers
 - Sell or Service – recommendations based on market trends
- ▶ Performance Analytics
 - ▶ Cross Issuer Batch–track performance trends & cross Provider liquidation rankings
- ▶ Post Service – Asset Disposition @ Optimized pricing based on performance experience
- ▶ Competitive Pricing

Provider Selection

Current Process

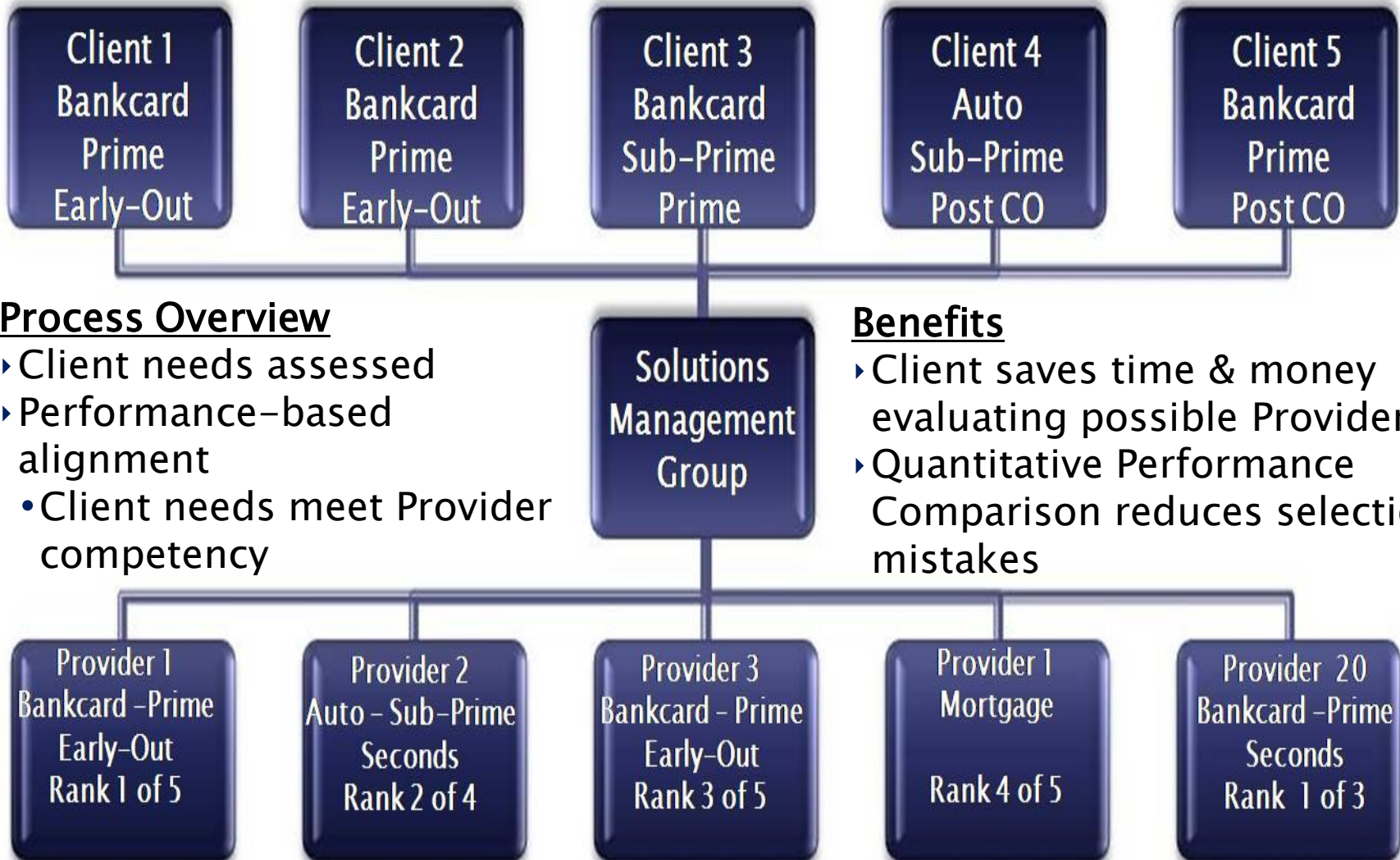
Challenges:

- ▶ Hundreds of Providers barrage Issuers with Prospecting calls
- ▶ Providers represent themselves as a one-stop shop
 - Strength in one Product and Strategy is not necessarily transferrable to others
- Issuers waste time evaluating and testing Providers misaligned to their needs



Provider Selection

Solutions Management Process



Process Overview

- ▶ Client needs assessed
- ▶ Performance-based alignment
 - Client needs meet Provider competency

Benefits

- ▶ Client saves time & money evaluating possible Providers
- ▶ Quantitative Performance Comparison reduces selection mistakes

World's Best Providers

- ▶ Solutions Management Group International (SMGI) is a division of National Loan Exchange (NLEX™)
- ▶ NLEX has Relationship with all major Buyers, Sellers, Service Providers across the globe
- ▶ NLEX established formal relationships with the best Service Providers in the world
- ▶ SMGI launched to help Clients leverage the Network
 - ▶ SMGI is an indirect Channel for Service Providers, directing business based on Providers strengths
 - ▶ Clients directly contract and interact with the selected Provider, with SMGI providing additional Client representation with the Provider

Benchmark Performance

- ▶ SMGI Portal provides Clients insight across the network on performance trends
- ▶ Compare performance across Provider Network on similar products
 - Make sure that you have the best Provider in the Network on your paper
- ▶ Compare Issuer liquidation trends
 - How does your post-CO liquidation compare to market
 - Provides insight into strength of your internal operations

Best Practices

- ▶ Sell or Service?
 - ▶ Clients are given insight as to optimizing asset value based on prevailing market conditions
- ▶ Industry leaders provide insights into process improvement opportunities
- ▶ Marketplace knowledge shared to help provide internal performance improvement

Asset Disposition

Sale Optimization

- ▶ With knowledge of the asset's performance across the collections cycle we maximize market pricing
- ▶ With our relationship with NLEX we are able to help segment and source buyers who value the portfolio

Sale vs. Service NPV Analysis

Is now the best time to Sell or Retain and Service?

Solutions Management Group International - Sale vs. Service NPV Analysis

	<u>Sale</u>		<u>Service</u>	<u>Service B/(W)</u> <u>Sale</u>
Portfolio	\$10,000,000	Portfolio	\$10,000,000	
Sale Price	8.00%			
NPV	\$776,000	NPV	\$612,223	(\$163,777)
		Cost of Funds	7.0%	
		Months	18	
<u>Costs</u>		<u>Costs</u>		
Admin	\$0	Admin	\$9,000	(\$9,000)
Allocation	\$0	Allocation	\$3,600	(\$3,600)
		Opportunity COF	\$54,320	(\$54,320)
Total Costs	\$0	Total Costs	\$66,920	(\$66,920)
Net Costs	\$776,000	Net Costs	\$545,303	(\$230,697)

Summary

- ▶ When you partner with SMGI you improve the likelihood of selecting the best Provider from the start saving you time and money
- ▶ There is no additional cost to you
 - ▶ SMGI earns its compensation out of the market-based compensation paid to the Provider
- ▶ Best Practices drive continuous improvement