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Avis Budget Rental Car Funding LLC, Series 2023-3

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This presale report reflects information in Fitch Ratings' possession at the time that Fitch's expected ratings are issued. The transaction has yet to be finalized and changes could occur. As a result, the expected ratings disclosed in this report do not reflect final ratings but are solely based on information provided by the issuer as of March 27, 2023.

These expected ratings are contingent on final documents conforming to information already received. Ratings are not a recommendation to buy, sell or hold any security. The offering circular and other material should be reviewed prior to any purchase. The notes are being offered and sold to qualified intermediary buyers (QIBs), as defined by Rule 144A of the Securities Act, or to non-U.S. entities pursuant to regulations.

Fitch's related Rating Action Commentary issued at transaction closing will include final ratings, which will include an assessment of any material information that may have changed subsequent to the publication of the presale.

Representations, Warranties and Enforcement Mechanisms Appendix

Capital Structure

Class	Expected Rating	Expected Rating Outlook	Amount ($ Mil.)[a]	Minimum CE (%)[b]	Maximum CE (%)[b]	Interest Rate (%)	Legal Final Maturity
A	AAAsf	Stable	196,25	31.49	40.27	TBD	February 2028
B	Asf	Stable	30,00	20.46	30.64	TBD	February 2028
C	BBB–sf	Stable	23,75	11.72	23.03	TBD	February 2028
Total			**250.00**				

[a]Final note amounts will be sized to market demand. [b]Credit enhancement (CE) is dynamic and will shift with the fleet mix.
TBD – To be determined.

Fitch Ratings expects to rate the ABS notes issued by Avis Budget Rental Car Funding (AESOP) LLC, Series 2023-3, as listed above. This is the 16th AESOP series rated by Fitch since 2017 and the third rated in 2023. The notes are secured by a revolving pool of program and non-program (risk) vehicles from various original equipment manufacturers (OEMs) leased to Avis Budget Car Rental, LLC (ABCR), a wholly owned subsidiary of Avis Budget Group, Inc. (ABG), which is not rated (NR) by Fitch. ABCR subleases the vehicles to wholly owned subsidiaries of ABCR serving various U.S. rental and car share markets.

Key Rating Drivers

Transaction Analysis — Evolving Concentration Limits: Fitch analyzed the structural features, including a monthly mark-to-market (MTM) vehicle value test and a minimum monthly vehicle depreciation test, by stressing the liquidation timing, vehicle depreciation, disposition losses and expected carrying costs of the transaction at various rating levels to determine an expected loss level (ELL). Credit enhancement (CE) for the notes comprises subordination, letter of credit(s) (LOC) and dynamic overcollateralization (OC), which will shift according to the fleet mix. CE levels for each class of notes are sufficient to cover Fitch's maximum and minimum ELL for each class under the respective ratings.

Stable Structural Features: The 2023-3 transaction includes structural features that are consistent with prior recent transactions. The features include OEM concentration limits, the inclusion of medium- and heavy-duty trucks, and a different minimum depreciation rate of nonprogram vehicles (NPVs) to account for market value and an increase to the vehicle age limit. Beginning with the 2022-5 transaction, the used and NPV concentration limits have been removed and the OEM concentration limit for Tesla has been increased.

Vehicle Value Risks — Stable Depreciation and Residual Realization: While previously much more volatile, depreciation has steadied and fallen for NPVs as high demand for a limited supply of vehicles maintains high vehicle valuation and disposition proceeds. Box trucks have limited performance experience but were assumed to have an annual depreciation rate consistent with the minimum required depreciation for these vehicles in the first two years of their life, which exceeds available historical depreciation data.

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Collateral Analysis — High Fleet Diversity and Healthy/Stable OEM Financials: AESOP's car and light-truck fleet is deemed diverse due to the high degree of OEM, model, segment and geographical diversification. Concentration limits help to mitigate risks associated with OEM defaults, declining vehicle values or vehicle recalls. Despite unprecedented rapid de-fleeting of AESOP vehicles in the wake of the coronavirus pandemic's impact on travel in 2020, the fleet remains diverse albeit with a notable shift toward NPVs as auto manufacturers push the burden of residual values onto rental car companies. Although a strong secondary vehicle market has continued to support vehicle values, continued supply issues have constrained sales and purchases, leading to an aging fleet.

Servicer Operational Risks — Adequate Servicer and Fleet Manager: ABCR is deemed an adequate servicer and administrator, as evidenced by its fleet management abilities and securitization performance to date. Fitch does not publicly rate ABCR. The company has seen marked improvement in its rental business off the lows of 2020, with the travel and rental car sectors improving. Avis' latest financial results show improved rental volumes and pricing. Additionally, the fleet has stabilized and AESOP trust performance metrics are within expectations across depreciation, MTM tests and disposition proceeds. defi AUTO, LLC (formerly known as Fiserv) is the backup disposition agent, while Lord Securities is the backup administrator, and both entities have substantial experience in their respective roles.

Highlights

Effect	Highlight
–	**Aging Fleet Composition:** Consistent with market conditions and other rental car platforms, nonprogram concentrations have been increasing and currently account for roughly 99% of Avis' fleet as of Dec. 31, 2022. The fleet remains diverse from an OEM perspective but has aged significantly due to vehicle supply constraints, with the age of the fleet of approximately 13 months as of Dec. 31, 2022, versus a historical average age of 8.1 months prior to 2020.
–	**Removal of Used Vehicle Concentration Limit**: The 25% concentration limit for used vehicles has been removed beginning with the 2022-5 transaction. Used vehicle concentrations have increased for rental car companies through the pandemic due to the lack of new vehicle supply, driven primarily by the semiconductor shortage. Used vehicle values have experienced significant strength recently, although with softening recently, but are not expected to return to pre-pandemic levels in the near term given the continued vehicle supply and demand imbalances. The removal of the limit aligns with peer rental fleet ABS issuances. Fitch has previously included conservative assumptions for its depreciation stresses, which incorporate potential impacts from higher concentrations of used vehicles; therefore, an additional stress was not applied with the limit removal.
–	**Removal of NPV Limit:** Recent series issued prior to 2022-5 included an 85% concentration limit, with a CE step-up schedule such that enhancement increases 0.5% should the concentration increase to between 85% and 87.5%, and increases 1% thereafter. Beginning with series 2022-5, this limit has been removed, along with the step-up feature. An additional 1% in CE has been included in the structure for NPV, thereby offsetting the impact from the removal of the step-up feature.
Neutral	**OEM Concentration Limit Increased for Tesla:** As detailed below, beginning with series 2022-5, Tesla vehicles can now be included in the trust at up to 25% of the asset base versus 15% previously, and the limit may be increased to beyond 25%, subject to a rating agency condition. As part of this change, additional CE has been provided through a step-up should the concentration rise above 15% (calculated by multiplying the excess concentration above 15% by 10% and applying the product as the CE step-up).
+	**Minimal Credit Impact from ESG:** The highest level of ESG credit relevance is a score of 3, meaning that ESG issues are credit-neutral or have only a minimal credit impact on the transaction, due to either their nature or the way in which they are being managed. See the ESG Navigator in Appendix 2 for details. The 25% concentration limit for Tesla vehicles did not have an impact on Fitch's rating analysis or conclusions for this transaction; therefore, it has no impact on Fitch's ESG Relevance Score.

Source: Fitch Ratings

Key Rating Drivers (Negative/Positive/Neutral)

Rating Impact	Key Rating Driver
Neutral	Transaction Analysis
Neutral	Structural Features
Neutral	Vehicle Value Risks
Positive	Collateral Analysis
Positive	Servicer Operational Risks

Applicable Criteria

Structured Finance and Covered Bonds Counterparty Rating Criteria (March 2023)

Global Structured Finance Rating Criteria (March 2023)

Global Rental Fleet ABS Rating Criteria (July 2022)

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Key Transaction Parties

Transaction Counterparty Summary

Role	Counterparty	Fitch Rating
Issuer	Avis Budget Rental Car Funding (AESOP) LLC	NR
Vehicle Purchasers	AESOP Leasing L.P.	NR
	AESOP Leasing Corp. II	NR
Sponsor of the SPVs	Avis Budget Group, Inc.	NR
Administrator/Lessee/ Servicer	Avis Budget Car Rental, LLC	NR
Sublessees	Avis Rent a Car System, LLC	NR
	Budget Rent a Car System, LLC	NR
	Zipcar, Inc.	NR
	Payless Car Rental, Inc.	NR
	Budget Truck Rental LLC	NR
Title Holder Nominees	PV Holding Corp.	NR
	Quartx Fleet Management, Inc.	NR
Qualified Intermediary	AESOP Exchange Corporation	NR
Parent of Qualified Intermediary	IPX1031, LLC (Fidelity National Financial, Inc.)	NR
LOC Provider (Expected)	JPMorgan Chase Bank, N.A.	AA/F1+/Stable
Trustee/Collateral Agent	The Bank of New York Mellon Trust Company, N.A.	AA/F1+/Stable
Backup Administrator/ Managing Agent	Lord Securities Corporation	NR
Backup Disposition Agent	defi AUTO, LLC (f/k/a Fiserv Automotive Solutions, Inc.)	NR
Structuring Lead	Citigroup Global Markets Inc.	A+/F1/Stable

NR – Not rated
Source: Fitch Ratings

Transaction Comparisons

Trust	AESOP	AESOP	HVF III
Sponsor	Avis Budget Group, Inc.	Avis Budget Group, Inc.	The Hertz Corporation
Series	2023-3	2023-1	2023-2
Cutoff Date	December 2022	September 2022	December 2022
Lessees — Sublessees	ABCR	ABCR	Hertz
	Avis	Avis	Dollar
	Budget	Budget	Thrifty[a]
	Zipcar	Zipcar	—
	Payless	Payless	—
	Budget Truck	Budget Truck	—
Avg. Age of Rental Fleet (Mos.)[a]	12.8	12.8	11.2
Program Vehicles (%)	1.42	1.09	0.9
Risk Vehicles (%)	98.58	98.91	99.1
Manufacturer 1 (%)	Chrysler (20.0)	Toyota (22.5)	GM (21.6)
Manufacturer 2 (%)	Toyota (19.9)	Chrysler (16.1)	Ford (15.4)
Manufacturer 3 (%)	GM (15.6)	GM (15.4)	Tesla (14.2)
Manufacturer 4 (%)	Ford (14.3)	Ford (15.0)	Nissan (11.6)
Manufacturer 5 (%)	Kia (7.2)	Kia (8.2)	Chrysler (10.6)
Revolving Period (Years)	3.7	5	5
Amortization Period (Mos.)	6	6	6

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Trust	AESOP	AESOP	HVF III
Best Fleet Credit Enhancement (%)			
Class A	31.49	31.49	39.96
Class B	20.46	20.46	30.62
Class C	11.72	11.72	22.61
Class D	N.A.	N.A.	11.05
Best Fleet Expected Losses (%)			
AAAsf	18.87	18.73	25.59
AAsf	16.97	16.85	20.71
Asf	15.05	14.94	17.79
BBBsf	13.11	13.01	14.85
BBsf	11.16	11.06	11.86
Worst Fleet Credit Enhancement (%)			
Class A	40.27	40.27	44.87
Class B	30.64	30.64	36.30
Class C	23.03	23.03	28.94
Class D	N.A.	N.A.	18.33
Worst Fleet Expected Losses (%)			
AAAsf	36.96	36.84	38.44
AAsf	32.72	32.61	34.05
Asf	28.41	28.31	29.58
BBBsf	24.05	23.96	25.02
BBsf	19.63	19.55	20.38
Ratings[b]			
Class A	AAAsf	AAAsf	AAAsf
Class B	Asf	Asf	Asf
Class C	BBB–sf	BBB–sf	BBBsf
Class D	N.A.	N.A.	NRsf

[a]For AESOP, the average age of the rental fleet is equal to the trailing three-month average age of the eligible fleet.
[b]Ratings for AVIS transactions are expected ratings. GM – General Motors. HVF III – Hertz Vehicle Financing III LLC.
N.A. – Not available. NR – Not rated.
Source: Avis Budget Car Rental, LLC

Sector Risks: Additional Perspective

Key Sector Risks

Sector or Asset Outlook	Fitch's 2023 asset performance outlook for rental fleet ABS has been revised to deteriorating relative to 2022, reflecting Fitch's expectation for the moderation observed in 2022 to continue into 2023 but remain below or in line with pre-pandemic levels. Supply constraints like semiconductor shortages have caused production shutdowns, leading to historically low inventories, despite strong demand, which has increased secondary values and recoveries. These supply shortages, while starting to loosen, are expected to continue to support values and overall strong rental fleet ABS performance in 2023.
Macro or Sector Risks	Fitch expects a mild recession to take hold in the U.S. in 2H2023, which will weigh on job growth and consumer demand. High inflation will lead to a continued increase in interest rates, affecting sectors backed by consumer and real estate assets exposed to interest rate and refinancing risk. Real income erosion will further burden households, affecting consumer spending and businesses, especially weaker borrowers. See Fitch's "Global Economic Outlook – March 2023."
Relevant Research	Fitch has revised its global economic forecasts to reflect its 2023 expectations. Fitch's outlook for 2023 for structured finance is detailed in "North America Structured Finance Outlook 2023". Also, see Fitch's recent special report, "In the Auto ABS Driver's Seat: 2H22". Both reports are available on Fitch's website at www.fitchratings.com.

Source: Fitch Ratings

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Transaction Notes

AESOP ABS note proceeds fund loans from AESOP to the vehicle purchasers, who utilize the loans to acquire vehicles to lease out to ABCR. ABCR will, in turn, sublease the vehicles to Avis Rent a Car System, LLC (Avis), Budget Rent a Car System (Budget), Zipcar, Inc., Payless Car Rental, Inc. (Payless) and Budget Truck Rental LLC (Budget Truck), all wholly owned subsidiaries of ABCR serving various segments of the rental and car share markets. The vehicle purchaser may also directly lease vehicles to Avis and Budget.

AESOP ABS notes are ultimately secured by lease payments from the lessees and sublessees, vehicle dispositions and/or refinancing proceeds. ABCR is the servicer, administrator and guarantor for all lease payments that flow to the vehicle purchasers and on to AESOP as repayments of the loans. Loan payments cover all applicable AESOP costs, which include interest, depreciation and other administrative expenses.

AESOP will issue the class A, B and C notes on the closing date. AESOP may, without consent from the noteholders, issue class D notes, subject to conditions, which will be subordinate to class A, B and C notes. AESOP will also issue class R notes to AESOP Leasing L.P. to comply with risk retention rules. Class R P&I distributions will be subordinate to class A, B and C distributions.

Credit Analysis

Diversity Classification

Loss profiles within a rental fleet ABS pool can differ based on each vehicle's OEM, segment, age and geographic location. Diverse pools produce consistent depreciation, resulting in better loss performance. Nondiverse pools are exposed to greater risks, including wholesale market weakness, recalls or other issues. Additionally, a pool with a few highly correlated and/or financially weak OEMs may be as risky as a pool with limited vehicle diversification since brand perception can be significantly affected by a bankruptcy event.

During benign periods, the vehicles purchased through program agreements are subject to limited market value risk, as OEMs have agreed to repurchase the vehicles at a predetermined price. However, they are exposed to the OEM's financial strength and its ability to make payments to the rental fleet company (RFC) under the agreement. While Fitch's review of the OEM's health and the presence of repurchase agreements are considered in determining the diversity of the collateral pool, no direct credit is given by Fitch in the credit analysis.

Following the review of an RFC's fleet characteristics, Fitch categorizes the fleet as either diverse or nondiverse. Fitch considers the following in its determination of fleet diversity:

- OEM concentration;
- composition of vehicle mix, including vehicle segment, make and model; and
- geographic concentration.

Fitch deems AESOP's fleet as a diverse pool of assets given these factors:

- Concentration limits are in place for all OEMs to ensure the OEM, make and model mix within the fleet remain diverse.
- Pre-pandemic, the fleet had a historically consistent mix of program and risk concentration. As of the cutoff date, risk vehicles total 98.6% of the fleet. This shift toward NPVs is expected to remain consistent due to lower program offerings from OEMs as manufacturers prioritize limited vehicle supply distribution to auto dealerships over rental car companies.
- The fleet's vehicle mix is diverse, with more than 15 different OEMs currently represented, as well as a wide range of vehicle models.
- The fleet is spread across the U.S. and considered diverse from a geographic perspective.
- Notably, the portion of the pool expected to consist of box trucks in the future is expected to be nondiverse and is considered separately in Fitch's loss analysis from the rest of the pool. These medium- and heavy-duty trucks are expected to comprise a

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limited number of models from a limited number of OEMs, with a minimum depreciation rate of 1.67% per month and nondiverse disposition loss stresses.

Expected Loss Derivation

Fitch's criteria for rental fleet ABS assume a hypothetical liquidation scenario in which the RFC enters into Chapter 7 bankruptcy protection, despite Chapter 11 being the more likely scenario. However, as Fitch's objective is to delink the RFC from the ABS, Chapter 7 is assumed, triggering a stay period that can last up to 60 days. No payments are expected to be made by the RFC to the trust during this period.

Chapter 7 of the U.S. Bankruptcy Code generally implies there is no option for a reorganization or restructuring, as would be the case under Chapter 11. Liquidation of the company's assets is therefore required to pay creditors. A bankruptcy of ABCR would trigger the early amortization of the outstanding AESOP notes, which AESOP would ultimately pay with proceeds from the sale of vehicles in the fleet. Fitch assumes the wholesale vehicle market is in a state of stress during the bankruptcy scenario, leading to higher than expected depreciation and disposition losses.

A rental fleet ABS structure should have sufficient CE to withstand stressed expected losses commensurate with the ratings during the assumed liquidation scenario. Fitch stresses the following to derive stressed expected losses for each rating scenario applicable to the series:

- non-liened vehicle adjustment;
- bankruptcy/liquidation timing;
- casualty losses;
- depreciation;
- disposition losses; and
- interest and other expenses.

Fitch derives series-specific expected losses for the best and worst possible fleet mixes after considering concentration limits. Fitch defines the best fleet as all program vehicles from investment-grade (IG) OEMs, while the worst fleet would be the maximum concentration of box trucks (5%) with the remainder consisting of NPVs (95%). This approach ensures expected losses are covered by the series' dynamic CE. Monthly required CE levels are derived based on criteria from other NRSROs, as discussed further in the CE section. Fitch ultimately compares best and worst fleet expected losses commensurate with the ratings against the best and worst fleet required CE for each class of notes.

The derivation methodology and assumptions for all aspects of the expected losses are consistent with Fitch criteria.

Non-Liened Vehicle Adjustment

Due to the administrative burden required to establish a first-priority-perfected security interest in Nebraska, Ohio and Oklahoma, AESOP has historically included a "specified states" concentration limit in each series of notes issued from the trust, sized to 7.50% of fleet net book value (NBV). Although the likelihood is remote, there is a scenario in which, in the event of an AESOP bankruptcy, the trustee's liens on vehicles titled in the above-mentioned states may be challenged and unavailable for repayment of the AESOP notes.

Recent issuances, beginning with 2021-2 (not rated by Fitch), have modified the concentration limit that applied to the aforementioned states to a general "non-liened vehicle" concentration limit, and the limit was increased to 10.00% of fleet NBV.

AESOP's documentation currently prohibits any vehicles outside of the specified three states from being included in fleet NBV if they lack a first-priority-perfected security interest. While this revised concentration limit is not currently intended to be used for vehicles outside the current three states, as has been the case historically, documentation may be amended in the future to allow for such broadening of the limit.

A stress to the worst case fleet mix expected loss has been included to illustrate the impact of adding non-liened vehicles to the fleet. This stress has been sized to 1.80%, which is removed from the asset value available to the notes in the event of a fleet liquidation. The 1.80% level is

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derived from historical concentrations in the specified states and considers the remote likelihood of the scenario.

This additional stress was not applied to the best case fleet mix, which assumes a variety of characteristics of a hypothetical "best case" wherein all vehicles are from IG OEMs and are subject to program agreements. An additional assumption of this best case fleet is a 0% concentration in the states for which a first-priority-perfected security interest is not obtained.

An additional sensitivity has been added to show the hypothetical impact of increased vehicle concentrations without a first-priority-perfected security interest outside of historical levels. In this sensitivity, prior to applying the expected loss analysis, 5.0% of the asset base is removed to stress for the potential concentration of non-liened vehicles in the fleet at the time of a bankruptcy declaration. This analysis can be found on page 14of this report.

Bankruptcy/Liquidation Timing

Once an RFC files a Chapter 7 bankruptcy petition, Fitch assumes lease payments cease. The leases are assumed to be immediately rejected by the bankruptcy trustee after the filing or will be rejected by operation of law on the 16th day. Fitch assumes the servicer, backup servicer or disposition agent, if applicable, will source and locate the vehicles to begin the liquidation process subsequent to the lease rejection.

While the 60-day stay period is expected to be a fixed timeline, the actual vehicle and liquidation time frame can vary, depending on market conditions and individual vehicle location. Fitch assumes an additional 30-day delay past the 60-day stay period to allow the trustee to gain control over the vehicles. Fitch expects that, once the trustee has access to the vehicles, liquidation will occur within one month to three months due to the depth and efficiency of the wholesale vehicle market witnessed over time, even during the stressed 2008–2009 period.

For this series, Fitch assumed timing stresses of six months for 'AAAsf', five months for 'Asf' and 4.3 months for 'BBB−sf'. These timing periods are deemed stressful given the size of ABG's fleet relative to the used vehicle market and the experience of defi, the backup disposition agent. Access to not only wholesale auctions, but also dealers, online auctions and retail disposition channels, would provide defi with diverse and efficient ways to dispose of vehicles.

Furthermore, Fitch assumes no vehicles are sold until the final months of the timing stress for each respective rating category, which is a stressful approach considering vehicles would typically be liquidated more quickly than the original 30-day assumption, with recovery amounts flowing into the trust within the first month following the 60-day bankruptcy stay period.

Bankruptcy/Liquidation Timing Assumptions

Rating Category	Months
AAAsf	6.0
Asf	5.0
BBB−sf	4.3

Source: Fitch Ratings

Monthly Casualty Loss Assumptions

Rating Category	(%)
AAAsf	1.00
Asf	1.00
BBB−sf	1.00

Source: Fitch Ratings

Casualty Losses

Casualty vehicles are defined as vehicles that are lost, stolen, destroyed or damaged, or vehicles rejected by program agreements because the vehicle condition is in violation of repurchase terms. The RFC is typically required to reimburse for these vehicles at NBV. The title is transferred to the RFC upon payment, and any lien in favor of the trust is released. The RFC typically has insurance in place that may cover all or most of the casualty losses on vehicles. However, the RFC's ability to make casualty payments after receipt of insurance is assumed to be impeded because of the bankruptcy.

Therefore, Fitch assumes a full loss is taken. Fitch determines a casualty base case loss proxy derived by utilizing the issuer's historical casualty loss data to account for casualty losses. The casualty loss amount is subtracted from the aggregate securitized fleet. ABG provided Fitch with historical monthly casualty data for the fleet from January 2012 through September 2022.

Fitch is assuming a 1.00% casualty loss per month for each of the first three months based on the provided data, consistent with the prior recent transactions and up 45 basis points (bps) from transactions prior to 2022-1. The increase was a result of higher historical average fleet casualty loss experienced driven by higher casualty losses in 2020, as well as consistently higher casualty losses after peaks experienced in that year. Higher casualty losses were initially due to the shift of rental businesses toward leisure travel as opposed to corporate travel, which tends to experience more casualties overall. While previously expected to return to historical levels, which had averaged 35bps–45bps per month, recent experience has ranged between 66bps and 101bps.

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The three-month period includes the 60-day bankruptcy stay period plus the additional month to locate and secure the vehicles. No further casualty losses are anticipated during the assumed liquidation period after the initial three months since the backup disposition agent is assumed to have secured the vehicles. Casualty losses would total 3.00% over a three-month period in all rating scenarios.

Depreciation

Prior to the RFC bankruptcy, market value and disposition proceeds tests are expected to help maintain parity between the fleet's NBV and market values. However, the RFC will no longer be expected to fulfill these test requirements upon the occurrence of a bankruptcy.

The fleet's vehicles will continue to depreciate during the bankruptcy/liquidation period, and noteholders will be exposed to these losses prior to their disposal. Fitch derives depreciation assumptions for program vehicles, risk vehicles and box trucks during the bankruptcy period until liquidation. Separate assumptions are determined for each of these types of vehicles, as each is purchased with different capitalized costs and different residual assumptions. Program vehicles are purchased at a higher capitalized cost but typically incur more consistent depreciation since residual values are the responsibility of the OEM.

Fitch received and reviewed historical depreciation from both ABG and the market to determine base rates for the analysis. ABG provided depreciation experience segmented by program, risk and all vehicles by model year from 2008 to 2021, as well as by truck depreciation data from 2017 through 2020. The data provided were deemed adequate for the analysis. Fitch's base depreciation rate assumptions are 1.45%, 1.50% and 1.67% for program vehicles, risk vehicles and trucks, respectively, based on data provided, and are consistent with pre-pandemic levels.

According to Black Book USA, the annual depreciation rate on two- to six-year-old vehicles fell by only 2% in 2020 and showed actual gains of over 29% in 2021 due to the global microchip shortage resulting in supply and inventory constraints, coupled with strong new and used vehicle demand. This was in sharp contrast to the 16.8% annual depreciation in 2019. Most of the 2019 depreciation (a 9.9% portion of the 16.8%) occurred in 4Q19, with luxury segments seeing some of the largest drops due to higher new vehicle incentives applying downward pressure on used vehicle values. The strength of the new and used vehicle market followed into 2021 and 2022 and continues in 2023, despite some recent softening in used vehicle prices coming off record levels.

Depreciation Assumptions (Worst Case Fleet Scenario)

(%)

Rating Stress	AAAsf	AA+sf	AAsf	AA−sf	A+sf	Asf	A−sf	BBB+sf	BBBsf	BBB−sf	BB+sf	BBsf
Bankruptcy/Liquidation Timing (Months)	6.00	5.75	5.50	5.33	5.17	5.00	4.83	4.67	4.50	4.33	4.17	4.00
Expected Depreciation												
Program Vehicles	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Risk Vehicles	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Box Trucks	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67
Total Depreciation												
Program Vehicles	7.99	7.67	7.35	7.14	6.92	6.71	6.49	6.28	6.06	5.84	5.62	5.41
Risk Vehicles	8.26	7.93	7.60	7.38	7.16	6.93	6.71	6.49	6.26	6.04	5.81	5.59
Box Trucks	9.15	8.79	8.43	8.18	7.94	7.69	7.45	7.20	6.95	6.70	6.45	6.21

Source: Fitch Ratings

Depreciation Assumptions (Best Case Fleet Scenario)

(%)

Rating Stress	AAAsf	AA+sf	AAsf	AA−sf	A+sf	Asf	A−sf	BBB+sf	BBBsf	BBB−sf	BB+sf	BBsf
Bankruptcy/Liquidation Timing (Months)	6.00	5.75	5.50	5.33	5.17	5.00	4.83	4.67	4.50	4.33	4.17	4.00
Expected Depreciation												
Program Vehicles	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Risk Vehicles	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

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Depreciation Assumptions (Best Case Fleet Scenario)

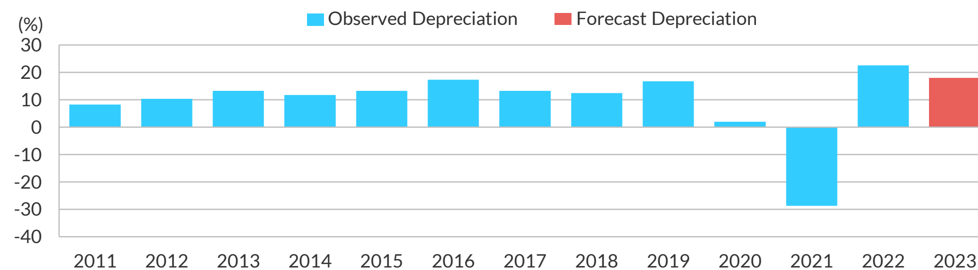
(%)												
Box Trucks	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67
Total Depreciation												
Program Vehicles	8.14	7.81	7.49	7.27	7.05	6.83	6.61	6.39	6.17	5.95	5.73	5.50
Risk Vehicles	8.41	8.07	7.74	7.51	7.29	7.06	6.83	6.61	6.38	6.15	5.92	5.69
Box Trucks	9.32	8.95	8.58	8.33	8.08	7.83	7.58	7.33	7.08	6.83	6.57	6.32

Source: Fitch Ratings

As shown below, 2020 annual vehicle depreciation rates were far below those of historical data, coming in at just 2.0%, according to Black Book USA (BB). Depreciation in 2021 reached historical levels, strengthening to -28.7%, driven by the aforementioned new vehicle supply constraints, before increasing to slightly elevated levels in 2022, estimated at 22.5%. For 2023, BB forecasts depreciation at 18.0%.

This performance remains consistent with Fitch's base depreciation assumptions for both AESOP's program and risk vehicles. Fitch did not apply any additional stresses to depreciation assumptions.

Black Book Annual Vehicle Depreciation Rates



Source: Black Book USA

The monthly depreciation rate is multiplied by the assumed bankruptcy/liquidation timing. When considering the derived depreciation rates, Fitch would anticipate depreciation to be approximately 8.5% over a six-month period at the 'AAAsf' level. Losses from depreciation are multiplied by the remaining pool balance after accounting for the non-liened vehicle adjustment and casualty losses and are applied to a declining (depreciating) collateral balance, resulting in adjusted rates of 7.99%, 8.26% and 9.15% for program vehicles, risk vehicles and box trucks, respectively, in the worst fleet 'AAAsf' stress scenario.

Disposition Loss

Vehicles are expected to be liquidated by the backup disposition agent, likely through auction houses such as Manheim or ADESA (the Auto Dealers Exchange Services of America), historically the most efficient for large fleet dispositions. ABCR uses additional disposition channels, including direct-to-dealer sales, retail locations and online marketplaces for third-party retailers to help maximize liquidity by achieving the highest recovery rate on liquidated vehicles. However, these other channels would be unavailable in a Chapter 7 bankruptcy scenario.

Liquidation proceeds are the sole payment sources under Fitch's bankruptcy/liquidation scenario since ABG and ABCR are no longer able to operate and rent out vehicles to produce additional sources of funds for the trust. Vehicles sold below their respective NBV would translate into losses for the trust. Fitch utilizes historical loss performance data provided by the RFC and third parties to determine potential stress scenarios for each rating category.

Wholesale vehicle market data exhibiting economic pressure, the health of automobile manufacturers, supply and demand of both new and used vehicles, fuel prices and other factors can severely affect used vehicle values. Therefore, wholesale vehicle values of pools exhibiting

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segment diversity would tend to be less sensitive to factors affecting vehicle values versus a pool comprising a single or limited number of vehicle types.

The worst yoy aggregate price decline observed for all vehicles over the past 11 years was used to derive Fitch's 'BBsf' expected loss stress. The stress was determined to be consistent with a 'BBsf' rating based on Fitch's review of the scale of wholesale vehicle value declines for all vehicle types (11.3% peak to trough, October 2008 versus October 2007, rounded to 12%), as well as the magnitude of the worst loss during this period compared to other historical losses, and then scaled upward based on standard deviations observed in the historical data.

Fitch's 'BBsf' loss stress is scaled upward in 4% increments for each rating category up to 'AAAsf', the approximate mean standard deviation of the data, to reflect higher expected losses under each ascending rating category. This results in expected disposition losses of 24%–28% at the 'AAAsf' rating level for a diverse pool and 28%–32% for a nondiverse pool. The disposition loss amount is calculated after accounting for expected losses from depreciation, casualty losses and the non-lien vehicle adjustment.

Fitch's view of the macroeconomic environment, expectations of wholesale vehicle values and the general health of the RFC and related OEMs will determine the specific loss disposition stress to be utilized. For example, Fitch would tend to use the upper range of the disposition stress in times of weak macroeconomic conditions or if the RFC is of particularly weak credit quality. Conversely, if Fitch's view of the macroeconomic environment is positive and the RFC is in a stronger financial position, Fitch may choose to use the lower end of the range.

Fitch Criteria Disposition Loss Ranges

(%)	BBsf	BBBsf	Asf	AAsf	AAAsf
Nondiverse	12.0–16.0	16.0–20.0	20.0–24.0	24.0–28.0	28.0–32.0
Diverse	8.0–12.0	12.0–16.0	16.0–20.0	20.0–24.0	24.0–28.0

Source: Fitch Ratings

The rental industry recovered relatively quickly from the pandemic slowdown and the financial health of OEMs has been strong in recent years. In addition, ABG has been profitable in recent years and has displayed a disciplined approach in many aspects of its business and strategies, including fleet management.

Fitch utilized the lower end of the disposition loss range for risk vehicles and box trucks in consideration of these expectations, as shown in the table above for each rating category. Since ABG's vehicle fleet is deemed diverse and box trucks are deemed nondiverse, the ranges are recommended at the low end of the range as described, from 8.0% and 12.0% at 'BBsf' to 24.0% and 28.0% for 'AAAsf', respectively, consistent with the criteria.

Monthly disposition proceeds for the fleet have consistently exceeded the NBV for sold vehicles over the past five years, with no monthly losses relative to NBV in any month. Disposition proceeds have generally ranged from 101% to 164% of NBV since 2010. The monthly market value tests and minimum depreciation applied to vehicles in the fleet enable ABCR to keep NBVs in parity with ongoing market values, resulting in low disposition losses historically and mostly gains recorded to date.

For program vehicles, Fitch looked at annual disposition data provided by ABCR by model year, which have shown minimal losses relative to NBV since the majority of vehicles returned to OEMs have been within terms of the program agreements. Fitch assumed 0.50% for 'BBsf' program disposition losses, well above annual losses observed. This assumption is increased for each rating scenario, up to 5.00% for 'AAAsf'.

Fitch analyzed the number of vehicles in ABG's total fleet relative to the one-year- to two-year-old used vehicle market, which is expected to be about 15 million vehicles at any given time, to determine fleet size relative to the applicable wholesale market. The estimated fleet accounts for a small percentage of used sales in any given year, ranging from 1.5% to 2.5% of the market.

Therefore, Fitch believes the market could adequately absorb the fleet in a liquidation scenario when considering the fleet size relative to the market, in addition to the diversity of the fleet from a make/model perspective. Additionally, defi provides reports on the fleet and disposition

2023-3 Expected Loss Assumptions

(%)	Best Fleet	Worst Fleet
AAAsf	18.87	36.96
AA+sf	17.92	34.85
AAsf	16.97	32.72
AA–sf	16.33	31.29
A+sf	15.69	29.85
Asf	15.05	28.41
A–sf	14.41	26.97
BBB+sf	13.76	25.51
BBBsf	13.11	24.05
BBB–sf	12.46	22.58
BB+sf	11.81	21.11
BBsf	11.16	19.63

Source: Fitch Ratings

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strategies in the event of a bankruptcy/liquidation scenario on an ongoing basis to ABG and ABCR. As such, no further asset liquidity stresses are recommended.

Interest and Other Expenses

Interest and administrative costs are still payable on the notes during the bankruptcy/liquidation period. Therefore, Fitch's analysis accounts for these expenses by including them in the expected loss assumptions. Depending on the note rating, sufficient liquidity in the form of a cash reserve or an LOC would be expected to cover anticipated interest expenses/funding costs, servicing fees and any other administrative expenses, up to their maximum allowed amounts, over the assumed liquidation period.

The expected weighted average (WA) bond coupon is 6.76% per annum as a percentage of the notes. The total interest cost as a percentage of the series receivable amount can fluctuate based on the fleet mix, ranging from 6.22% for the best fleet to 5.48% for the worst fleet.

Aggregate servicing and other costs per annum are 0.33% of the current series receivables amount but can fluctuate according to fleet mix since certain costs are tied to the size of the fleet and the series balance. Expenses decrease while the required enhancement increases when the fleet shifts toward the worst fleet mix, as the receivables pool must increase so that CE reaches required levels. The required LOC amount for 2023-3 is expected to total 4.00% of the notes.

Summary — Total Expected Loss Proxy

Fitch calculates total expected losses for each rating scenario by summing the following four components over the assumed liquidation period:

- casualty losses;
- depreciation losses;
- disposition losses; and
- interest expenses and other fees.

Fitch then compares the total expected losses for each rating scenario to the amount of required CE for each class of notes in the series to determine if expected losses are covered by the available CE levels at all rating categories.

Note that the depreciation amount is calculated on a declining (depreciating) balance after taking into account the non-liened vehicle adjustment, if any, and casualty losses. The disposition loss amount is calculated after accounting for the non-liened vehicle adjustment, expected depreciation loss and casualty loss.

Disposition Assumptions

(%)	Program	Risk	Truck
AAAsf	5.00	24.00	28.00
AA+sf	4.44	22.00	26.00
AAsf	3.88	20.00	24.00
AA−sf	3.50	18.67	22.67
A+sf	3.13	17.33	21.33
Asf	2.75	16.00	20.00
A−sf	2.38	14.67	18.67
BBB+sf	2.00	13.33	17.33
BBBsf	1.63	12.00	16.00
BBB−sf	1.25	10.67	14.67
BB+sf	0.88	9.33	13.33
BBsf	0.50	8.00	12.00

Source: Fitch Ratings

Expected Losses versus Credit Enhancement

(%)	Best Fleet Mix		Worst Fleet Mix		
Class	Expected Losses	Required CE	Expected Losses	Required CE	Ratings
A	18.87	31.49	36.96	40.27	AAAsf
B	15.05	20.46	28.41	30.64	Asf
C	12.46	11.72	22.58	23.03	BBB−sf

Source: Fitch Ratings

Best and worst fleet expected losses commensurate with the ratings for each of the notes are shown above in comparison to the best and worst fleet required CE for each class. Under the 'AAAsf' scenario, Fitch expects losses ranging from 18.87% to 36.96% for 2023-3, while required CE for class A notes ranges from 31.49% to 40.27%, in excess of expected losses.

Best and worst fleet CE for class B notes are in excess of best and worst fleet expected losses; the worst fleet CE of class C notes are in excess of worst fleet expected losses and the best fleet CE for class C notes are within 74bps of best fleet expected losses. The shortfall for class C under the best fleet CE is deemed to be acceptable due to the unlikely event that all vehicles in the fleet would be program vehicles given the ongoing vehicle supply and demand imbalances resulting in nearly 100% in NPVs recently.

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An example of a single vehicle for 2023-3, as illustrated in the table to the right, demonstrates the impact of the six-month depreciation and disposition stresses on vehicle value for a single-risk vehicle when considering Fitch's stresses. Effectively, a $30,000 vehicle would experience a 33.88% loss in this scenario.

AAAsf Scenario — Risk Vehicle Example

Initial NBV ($)	a	30,000
Lien Holiday (%)	b	1.80
Adjusted NBV After Removal of Non-Lien Vehicles ($)	c = a * (1 – b)	29,460
Casualties (%)	d	3.00
NBV Less Casualty Loss ($)	e = c * (1 – d)	28.576
Timing (Months)	f	6
Monthly Depreciation (%)	g	1.50
Total Depreciation (%)	h = (1- (1 - g)^f)	8.67
Subtotal ($)	i = e * (1 – h)	26,099
Disposition Loss (%)	j	24.00
Ending NBV ($)	k = i * (1 – j)	19,835
Total Loss ($)	l = a – k	10,165
Total Loss (%)	m = l / a	33.88

Source: Fitch Ratings

Legal Structure

Fitch believes the AESOP legal structure provides that a bankruptcy of ABG or ABCR would not impair the timeliness of payments on the securities. Fitch expects to receive and review legal opinions to the effect that the AESOP assets would not be consolidated with those of ABG or ABCR in the event of bankruptcy. Furthermore, Fitch expects to receive an opinion that the trustee has a first-priority-perfected security interest in the vehicles leased by the vehicle purchasers to ABCR, Avis and Budget, as well as the other sublessees.

AESOP is structured with a single operating lease under which all vehicles in the trust fall. This master lease is considered indivisible and a singular obligation upon which ABCR and its sublessees make monthly rental payments. The recent bankruptcy of The Hertz Corporation saw a legal challenge of this structure in court in an attempt to segment out a portion of the vehicles Hertz intended to liquidate. Ultimately, the motion on this issue was not heard by the court and postponed indefinitely. However, ABCR has made clear in its documentation that the AESOP operating lease is considered indivisible, and while it may be challenged by debtors in bankruptcy court, that is not the intent of the structure as created, and Fitch shares this opinion in all respects.

Asset Analysis

AESOP Fleet Mix

(As of Dec. 31, 2022)

Total Fleet OEM Concentrations		
OEM	**Fitch Rating**	**% of Fleet NBV**
Toyota	A+, Rating Outlook Stable	19.88
Ford	BB+, Rating Outlook Positive	14.27
Chrysler[a]	BBB, Rating Outlook Stable	19.96
GM	BBB–, Rating Outlook Positive	15.64
Kia	BBB+, Rating Outlook Stable	7.18
Honda	A, Rating Outlook Stable	5.85
Nissan	Rating Withdrawn	5.53
Hyundai	BBB+, Rating Outlook Stable	4.05
Mitsubishi	NR	1.21
Mazda	NR	1.57
Volkswagen	A–, Rating Outlook Stable	1.08
Subaru	NR	1.07
Mercedes + Smart	A–, Rating Outlook Stable	0.54
Other	N.A.	1.97
BMW	NR	0.13
Volvo	A–, Rating Outlook Stable	0.08
Total	**—**	**100.00**

[a]Rating of parent, Stellantis N.V. N.A. – Not applicable. NR – Not rated.
Source: Avis Budget Car Rental, LLC

OEM Concentrations — Diverse

The fleet as of the cutoff date is summarized in the table below by program/risk and OEM. Chrysler replaced Toyota to be the largest OEM at 20.0% of the fleet, while Toyota and GM are the second and third largest OEMs with 19.9% and 15.6% of the fleet's NBV, respectively.

The concentration of the top five OEMs as a percentage of the total pool has steadily decreased since 2005, from a fleet average of 97.4% to 76.9% through December 2022. Fitch views this trend positively, as a less concentrated pool provides more diversification. Notably, the concentration of GM in the fleet has decreased considerably. In 2005, GM averaged 57.6% of

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the fleet and represented the top OEM concentration. By contrast, GM is currently the third largest OEM; it comprises 15.6% of the fleet, as of the cutoff date.

As of the cutoff date, 79.7% of the current pool consist of vehicles manufactured by IG OEMs, with the remaining 20.3% from non-IG OEMs. Ford is currently the pool's largest non-IG OEM.

AESOP Fleet Mix

(As of Dec. 31, 2022)

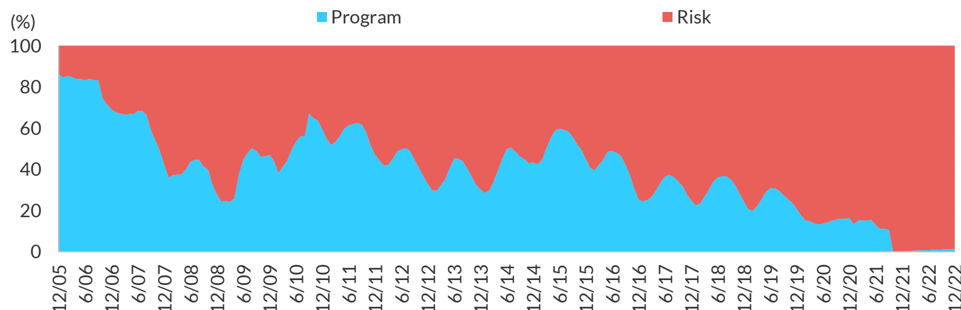
Program — Non-Program OEM Concentrations			
	OEM	% of Fleet	% of Program
Program	Kia	1.00	70.26
	GM	0.42	29.72
	Total	**1.42**	**100.00**
Non-Program	Toyota	19.88	20.16
	Ford	14.27	14.48
	Chrysler	19.96	20.25
	GM	15.22	15.44
	Kia	6.18	6.27
	Honda	5.85	5.94
	Nissan	5.53	5.61
	Hyundai	4.05	4.11
	Other	1.97	2.00
	Mazda	1.57	1.59
	Mitsubishi	1.21	1.23
	Volkswagen	1.08	1.10
	Subaru	1.07	1.08
	Mercedes + Smart	0.54	0.55
	BMW	0.13	0.13
	Volvo	0.08	0.08
	Total	**98.58**	**100.00**

[a]Rating of parent, Stellantis N.V. N.A. – Not applicable. NR – Not rated.
Source: Avis Budget Car Rental, LLC

Program/Non-Program Vehicle (Risk) Mix — Weakening

The program/risk vehicle mix has shifted significantly at times but has trended toward risk vehicles in recent years, per the chart below. Program concentrations first dipped below 50% in November 2007, and prior to the pandemic, they fluctuated in line with seasonal trends. As of the cutoff date, the fleet consists of mainly NPVs, at 98.58% of the fleet, while program vehicles represent only 1.42%, compared with 15.15% as of March 2021. The following chart shows monthly concentrations for program and risk vehicles since 2005.

Historical Program vs. Risk Concentrations



Source: Avis Budget Car Rental, LLC

Prior to the pandemic, the program/risk vehicle mix shifted according to seasonal trends, with the program typically declining in the early winter months before increasing in the spring and summer months. Since mid-2015, program concentrations have been below typical levels,

largely due to declining OEM offerings. Kia now represents the only significant program concentration at 1.00% of the fleet and 70.26% of total program vehicles, while GM accounts for 0.42% and 29.72%, respectively.

ABCR's fleet management team adjusts the mix to best fit the needs of their fleet and consumer demand while also assessing ongoing program offerings from the OEMs. Program offerings have continued to decrease in recent years, with additional pandemic-related factors adding to this shift from historical levels. OEMs are hesitant to shoulder the risk of additional program agreements' residual values, and ABCR and other rental car companies returned many of their pre-pandemic program vehicles during initial de-fleeting in 2020.

Fitch expects the mix to continue to fluctuate along with seasonal and market trends. Program levels should remain low in the near term due to the low amount of vehicle supply in the market and the limited amount of offerings to the rental car companies that have been observed.

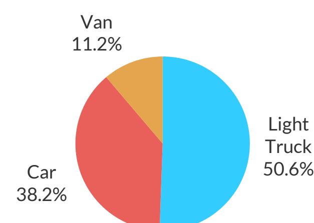
Notably, as of the December 2022 cutoff date, used vehicles comprised 18.4% of AESOP's total fleet NBV. This is a marked increase from historical levels due to the continued supply constraints for new vehicle production. As previously discussed, the 25% series-level concentration limit was removed starting with the 2022-5 transaction.

Vehicle Models — Diverse

The top 20 models in the fleet as of December 2022 are diverse, represented by seven different OEMs, with a balanced mix between light-duty trucks, cars and vans. These top models represent 49.7% of the fleet, slightly down from 2023-1 and 2023-2, and 2022-3, 2022-4 and 2022-5, but similar to levels seen in 2020 and before. Of the top 20 models, 37.9% are cars; light-duty trucks, sport-utility vehicles (SUVs) and crossover utility vehicles (CUVs) account for 51.0%; and vans make up the remaining 11.1%, compared with 32.8%, 56.6% and 10.6% in both 2023-1 and 2023-2, respectively.

Light-duty trucks have grown as a concentration within the fleet from 2017 to 2022, although the concentration of cars recently took some shares of the fleet due to customer demand. Fitch expects light-duty truck concentration in the fleet to remain elevated for the foreseeable future.

AESOP Top 20 Models — Segment Concentration



Source: Avis Budget Car Rental, LLC

Geographic Concentration — Diverse

As of the December 2022 cutoff date, the top five states represent approximately 60.3% of the fleet, marginally up from 2023-1 and 2023-2, and slightly above prior transactions. Florida has the top state concentration with approximately 34.1% of the fleet, with California (12.8%), New York (4.6%), Texas (4.5%) and Colorado (4.2%) rounding out the top five.

As mentioned previously, certain specified states (Nebraska, Oklahoma and Ohio) have historically been constrained to 7.5% of fleet NBV due to the lack of first-priority-perfected security interests for vehicle titles in these states. Historical concentrations have remained below this historical limit, comprising less than 4% of the fleet in recent years.

Aging — Increasing

Aging within the fleet remained consistently cyclical for the four years prior to the onset of the pandemic. However, as new vehicle supply and demand dried up in the early days of the pandemic, vehicle age began to increase in the overall AESOP fleet, even as it liquidated fleets to match decreased demand. The current trailing three-month average fleet age is 12.84 months as of the December 2022 collection period, at the high end of the range since January 2020 (9.0 months–12.8 months). This average age is higher compared to early 2020 and prior, attributable to the impact of the pandemic, and aging remains elevated, with delays in new vehicle deliveries, due in part to the ongoing global semiconductor chip shortage, leading to longer fleet vehicle retention.

Notably, this aging pattern is due to ABCR's intentional fleet management. Vehicles that previously would have been sold from the fleet earlier in their lives are now retained and used for longer durations and strategically moved from Avis' higher-quality rental brands to lower economy options, right down to vehicles used for rideshare partnerships and Zipcar rentals, until eventually, such vehicles are sold at Avis' retail network, at auction or in the secondary market.

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Risk vehicles are held longer than program vehicles to take advantage of the depreciation curve for dispositions. With the risk vehicle concentration in the fleet higher within the past two years, aging has trended higher.

Expected Rating Sensitivity

Series 2023-3 - Rating Sensitivity

	Class A	Class B	Class C
Original Rating	AAAsf	Asf	BBB-sf
Liquidation Timing	AAAsf	A-sf	BB-sf
Disposition	AA+sf	A-sf	BB-sf
Combined	AAsf	BBB-sf	Bsf
Non-Liened Vehicles	AAAsf	A-sf	BBsf

Source: Fitch Ratings

The Rating Sensitivity section provides insight into the model-implied sensitivities the transaction faces when one assumption is stressed while holding others equal. The modeling process uses the estimation and stress of these variables to reflect asset performance in a stressed environment. The results to the left should only be considered as one potential outcome, as the transaction is exposed to multiple dynamic risk factors. They should not be used as indicators of possible future performance.

No change or positive change
Negative change within same category
– 1 category change
– 2 category change
– 3 or larger category change

Rating Sensitivity

Liquidation Timing Stress

Fitch's rating sensitivity analysis focuses on two scenarios involving potentially extreme market disruptions that would force the agency to redefine its stress assumptions. The first scenario examines the effect of moving Fitch's bankruptcy/liquidation timing scenario to eight months at 'AAAsf' with subsequent increases to each rating level.

Bankruptcy/Liquidation Timing Stress Sensitivity

(%)		Worst Fleet Mix		Best Fleet Mix		
Class	Current Ratings	Expected Loss	Proposed CE	Expected Loss	Proposed CE	Sensitivity Recommended Ratings
A	AAAsf	39.89	40.27	22.40	31.49	AAAsf
B	Asf	31.59	30.64	18.67	20.46	A-sf
C	BBB–sf	25.92	23.03	16.15	11.72	BB-sf

Source: Fitch Ratings

Disposition Proceeds Stress

The second scenario considers the effect of moving the disposition stresses to the higher end of the range at each rating level for a diverse fleet for NPVs in the fleet and to the higher end of the range for a nondiverse fleet for trucks in the fleet. For example, the 'AAAsf' stress levels would move to 28% from 24% and to 32% from 28% for NPVs and trucks, respectively.

Disposition Proceeds Stress Sensitivity

(%)		Worst Fleet Mix		Best Fleet Mix		
Class	Current Ratings	Expected Loss	Proposed CE	Expected Loss	Proposed CE	Sensitivity Recommended Ratings
A	AAAsf	40.44	40.27	18.87	31.49	AA+sf
B	Asf	31.94	30.64	15.05	20.46	A-sf
C	BBB–sf	26.15	23.03	12.46	11.72	BB–sf

Source: Fitch Ratings

Combined Stress

Finally, the last example shows the impact of both stresses on the structure. The purpose of these stresses is to demonstrate the potential rating impact on a transaction if one or a combination of these scenarios were to occur.

Combined Stress Sensitivity

(%)		Worst Fleet Mix		Best Fleet Mix		Sensitivity Recommended Ratings
Class	Current Ratings	Expected Loss	Proposed CE	Expected Loss	Proposed CE	
A	AAAsf	43.27	40.27	22.40	31.49	AAsf
B	Asf	35.01	30.64	18.67	20.46	BBB–sf
C	BBB–sf	29.38	23.03	16.15	11.72	Bsf

Source: Fitch Ratings

With a sufficient increase in either the timing of the liquidation of the fleet or disposition fees, the class A notes could still be maintained at 'AAAsf'. To approach non-investment-grade rating levels or a 'CCCsf' rating, in addition to the combined scenario described above, depreciation costs would need to rise to previously unseen levels for the platform, increasing to, at minimum, two times the highest monthly depreciation levels seen for both program vehicles and NPVs at the height of the recession.

Non-Liened Vehicle Concentration

In the event of an amendment to the base documents, the AESOP trust may be allowed to contain a certain portion of non-liened vehicles that do not give the trustee a first-priority-perfected security interest, and may not be available in the event of a bankruptcy of the owner of the vehicles and early amortization of the notes. Although the likelihood of this scenario is deemed extremely remote, to account for such a change, Fitch ran a sensitivity expected loss analysis assuming 5.00% of the asset base becomes unavailable in the event of a bankruptcy in both the best and worst case fleets, with the potential impact on ratings illustrated in the following table.

Non-Liened Vehicle Sensitivity

(%)		Worst Fleet Mix		Best Fleet Mix		Sensitivity Recommended Ratings
Class	Current Ratings	Expected Loss	Proposed CE	Expected Loss	Proposed CE	
A	AAAsf	39.11	40.27	23.09	31.49	AAAsf
B	Asf	30.82	30.64	19.44	20.46	A–sf
C	BBB–sf	25.17	23.03	16.96	11.72	BBsf

Source: Fitch Ratings

Up Sensitivity

Overall improvement in the secondary market or lower than expected depreciation versus historical levels may lead to positive migrations in the ratings for the transaction. However, there is limited upgrade potential for rated rental fleet ABS notes given the revolving nature of the structure, whereby collateral changes on a daily basis through fleet purchases and dispositions, as well as trust concentration limits in place. Therefore, the occurrence of upgrades is very limited at best. Additionally, fleet composition changes each day, including the concentration of program vehicles versus NPVs (or risk vehicles), as well as OEM brand/segment/model concentrations. Potential positive rating actions are also limited by the current macroeconomic environment.

Not for redistribution

Transaction Structure

Credit Enhancement

AESOP Credit Enhancement

(%)	2023-3	2023-2	2023-1	2022-5	2022-4	2022-3	2022-1	2021-1	2020-2 (NR)	2020-1	2019-3	2019-2	2018-2	2018-1	2017-2	2017-1
Tenor (Years)	3.7	3	5	3	5	3	5	5	5	5	5	5	5	5	5	5
LOC Size (% of Notes)	4.00	3.75	4.00	4.00	3.50	3.50	2.75	2.00	2.00	2.00	2.00	2.25	2.75	2.50	2.25	2.25
Best Fleet																
Class A	31.49	31.36	31.49	31.43	33.41	33.35	32.27	30.92	26.41	27.40	27.40	27.47	28.12	28.38	28.31	30.70
Class B	20.46	20.34	20.46	20.39	23.66	23.58	22.98	22.22	18.83	18.83	18.83	18.78	19.27	19.37	19.33	20.27
Class C	11.72	11.62	11.72	11.64	17.32	17.24	16.63	16.43	11.51	11.51	11.51	11.54	11.79	12.16	12.13	13.11
Class D	N.A.	N.A.	N.A.	N.A.	5.61	5.52	4.89	4.83	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Worst Fleet																
Class A	40.27	40.14	40.27	40.22	38.64	38.59	37.60	35.29	33.99	35.60	35.60	35.67	36.22	35.89	36.07	38.49
Class B	30.64	30.53	30.64	30.59	29.65	29.59	29.04	27.14	27.19	27.99	27.99	27.97	28.37	27.82	28.06	29.23
Class C	23.03	22.92	23.03	22.97	23.81	23.74	23.19	21.71	20.63	21.51	21.51	21.55	21.73	21.37	21.64	22.88
Class D	N.A.	N.A.	N.A.	N.A.	13.02	12.94	12.38	10.85	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. – Not applicable. NR – Not rated.
Source: AESOP 2023-3

CE for each series is dynamic based on the aforementioned methodology. CE may be in the form of subordination, OC, LOCs and/or cash reserves subject to a required liquidity amount sized to cover at least six months of interest on the notes plus 50bps.

The fleet is categorized into different risk buckets according to the Issuer Default Ratings (IDRs) of the vehicle OEMs for vehicles and program/risk status. IDRs are determined from non-Fitch NRSROs. Minimum required CE for the most subordinate notes is determined based on the fleet characteristics according to the above criteria, with varying levels of enhancement required for each category of vehicle from Moody's. The WA CE level will be utilized as the minimum required CE level each month for the most subordinate notes.

The table above summarizes AESOP maximum and minimum CE levels for each series since 2017-1. For transactions pre 2022-5, the worst fleet mix, per Fitch's methodology, occurs when the fleet mix would change immediately to 85% risk vehicles (given the 85% limit on NPV), 5% box trucks and 10% program vehicles from non-IG OEMs. No credit was given for the additional CE step-up for exceeding the NPV concentration, as it was assumed this would not be available in the event of a bankruptcy. For series 2023-3, the worst fleet mix is 95% risk vehicles and 5% box trucks, which reflects the removal of the NPV limit for this series and the additional permanent CE provided. The best fleet mix would be 100% program vehicles from IG OEMs.

Required CE levels and advance rates for this series are listed in the table below. AESOP will be required to maintain assets equal to an NBV equal to the aggregate asset coverage threshold amount for the series, determined by the required advance rate for each series. Failure to do so will result in an amortization event. Each vehicle's NBV for the purpose of this calculation will be equal to the capitalized cost less aggregate depreciation charges and, in the case of risk vehicles, the amount of any upfront incentive fees paid by the OEM.

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Required Advance Rates and Credit Enhancement Levels

Vehicle Type	IG versus Non-IG	Moody's Required CE (%)
Program	IG	12.75
Program	Non-IG	16.25
Risk	IG	28.35
Risk	Non-IG	28.35
Trucks	All	35.75

Source: Avis Budget Car Rental, LLC

The 2023-3 class A required CE are 40.27% for the worst fleet mix and 31.49% for the best fleet mix. The required CE will, at all times, be within the maximum and minimum levels as both AESOP's collateral mix and OEM ratings shift. Monthly CE may be in excess of the required amounts when considering amounts available in AESOP's principal collection account.

Overcollateralization

OC is provided by the excess receivables when considering the assets over the outstanding note principal balance. After closing and on each distribution date, the OC level will also include any amounts deposited into the principal collection account. For the purposes of this analysis, the class R notes are considered part of OC.

Historically, required AESOP series CE levels were calculated based on the total senior invested amount for each series, which includes the series' pro-rata share of cash and permitted investments held in a collection account. However, for these series and future issuance, AESOP will now use a net senior invested amount for the calculation of the enhancement amount; this will net out these liquid assets since they do not require additional enhancement, in contrast to trust vehicles that do. This net debt concept does not affect the level of actual enhancement available to each series.

Letters of Credit

Liquidity is provided in the form of a cash reserve and/or an LOC expected to be sized to 4.00% of the notes, equal to six months of interest plus a cushion of 0.50%. An amortization event will occur with respect to the notes if the liquidity amount falls below the required amounts and such deficiency continues for at least two business days. The LOC provider is expected to initially be JPMorgan Chase Bank, N.A. (AA/F1+, Stable), which conforms to Fitch's counterparty criteria for direct support counterparties.

Should the LOC provider be downgraded below Fitch's required rating thresholds, the administrator must notify the trustee to draw on the LOC in an amount equal to a potential enhancement deficiency should the transaction lose the LOC, up to the full size of the LOC and deposit that amount in the cash collateral amount. Should the LOC provider go bankrupt or refuse to honor a proper draw on the LOC, this will trigger a limited liquidation event where fleet assets will be sold to pay off the principal of any series they provide the LOC for. It is important to note that this provision can be waived with noteholder consent.

Notably, AESOP includes a multiseries LOC that will cover the required minimum liquidity amount for multiple series of notes, beginning with 2021-1, and increase in size as new series are issued. These LOCs are irrevocable and repayment thereof is an obligation of ABCR and not AESOP. The change is expected to alleviate the administrative burden of managing multiple LOCs for multiple outstanding series.

Subordination

Class A and B notes benefit from subordination of notes junior to each in the capital structure. AESOP has the option of issuing additional class D and R notes in the future, which will be subordinated to class A, B and C notes.

Market Value and Disposition Proceeds Tests

AESOP also includes additional dynamic CE for risk vehicles based on results of the market value and disposition proceeds tests, which will provide additional CE if breached. The required

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CE amount will increase if and to the extent risk vehicle disposition proceeds during any measurement month fall below the NBV thereof, or if risk vehicle market values fall below the risk vehicle NBV.

The MTM test will not include:

- Risk vehicles manufactured by an OEM that has defaulted on its program repurchase agreement within the first three months after the earlier of the OEM bankruptcy or the re-designation.
- Risk vehicles subject to an OEM program with an eligible risk OEM with respect to which no event of default has occurred and is continuing and, therefore, any difference between the market values and NBVs of these vehicles will not result in an increase in the series required enhancement amount.

Regarding the first clause, required CE will increase if the market value of program vehicles manufactured by the OEM, which have not been re-designated, falls below the NBV but at a slight discount of 96.5%. Any vehicles not re-designated within 90 days following the bankruptcy event will be treated as risk vehicles for the purpose of the test.

If either test is breached, the applicable breach margin is required to be added to each outstanding series' CE. The maximum breach margin will remain as required CE for three months in the case of an MTM test breach and 12 months in the event of a disposition proceeds test breach. The breach will be cured if there are no further breaches within a three-month period and a 12-month period.

Previously, the breach of either test led to a 12-month addition of the maximum breach margin, with the shift made in the 2021-1 transaction. This test has not been breached in the past 10 years.

Trust Structure

AESOP is a master trust with 18 series outstanding as of the December 2022 distribution date. AESOP noteholders share a pro-rata security interest in the pool of vehicles leased out by the vehicle purchasers to ABCR and the sublessees. All series have a revolving period followed by a six-month controlled amortization period.

The revolving period begins on the closing date and ends upon the commencement of each series' controlled amortization period or earlier in the event of the occurrence of a rapid amortization event or an event of bankruptcy. No principal will be paid to investors or accumulated during the revolving period. Principal will be treated as shared collections and made available for required principal distributions and deposits for other series and/or to purchase vehicles.

The series' controlled amortization will commence upon the close of business, on August 2026 for 2023-3, and end on the earlier of the date on which the series is fully paid, which is expected to be the February 2027 distribution date, and the commencement of the rapid amortization period. During this period, the notes will be paid down by the controlled amortization amount in each period, equal to one sixth of the note balance for each class plus any shortfalls in payments from previous distribution periods. If the notes are not paid in full by the expected maturity date, the notes will enter rapid amortization. Legal final maturity is one year after the expected maturity date of February 2028.

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The following table shows all outstanding AESOP term ABS notes and variable funding notes (VFNs) as of Mar. 16, 2023.

AESOP Outstanding Series[a b]

Series	Aggregate Invested Amount ($)	Expected Maturity/ Termination Date	Type
2010-6	1,903,875,702	April 2024	VFN
2011-4	193,000,000	March 2023	VFN
2015-3	182,124,297	April 2024	VFN
2017-2	125,916,667	March 2023	Term 144A
2018-1	480,000,000	September 2023	Term 144A
2018-2	681,500,000	March 2024	Term 144A
2019-2	796,500,000	September 2024	Term 144A
2019-3	777,550,000	March 2025	Term 144A
2020-1	847,250,000	August 2025	Term 144A
2020-2	685,750,000	February 2026	Term 144A
2021-1	844,000,000	August 2026	Term 144A
2021-2	685,750,000	February 2027	Term 144A
2022-1	791,250,000	August 2028	Term 144A
2022-3	474,750,000	February 2026	Term 144A
2022-4	448,400,000	February 2028	Term 144A
2022-5	583,400,000	April 2026	Term 144A
2023-1	582,890,000	April 2028	Term 144A
2023-2	408,040,000	October 2026	Term 144A
Total Outstanding	**11,491,946,667**		

[a]As of Mar. 16, 2023 distribution date. [b]Outstanding term 144A note balances include class R notes retained to satisfy risk retention requirements where applicable.
Source: Avis Budget Car Rental, LLC

Concentration Limits

AESOP Concentration Limits

	Limit %
Kia	55.00
Mitsubishi	10.00
Isuzu	10.00
Subaru	12.50
Hyundai	55.00
Suzuki	10.00
Tesla	25.00
Jaguar	12.50
Land Rover	12.50
Trucks	5.00
Vehicles Without a Lien	10.00
Non-Eligible Manufacturers	10.00

Source: Avis Budget Car Rental, LLC

AESOP's concentration limits are listed in the table above. Three changes have been introduced beginning with the 2022-5 transaction, which include the removal of the used vehicle and NPV concentration limits and the increase to the OEM concentration limit for Tesla to 25% from 15%, which can be increased beyond 25%, subject to a rating agency condition.

The remaining limits are consistent with the Fitch-rated transactions since 2022-1; however, compared to the series 2021-1 transaction, the series-specific limits were added to cover medium- and heavy-duty trucks, vehicles without a lien and three additional OEMs — Tesla, Jaguar and Land Rover — while the historical specific state limits for Ohio, Oklahoma and Nebraska were removed.

The prior changes to OEM concentration limits were included to allow for a greater degree of flexibility in the composition of the fleet, with any non-eligible manufacturer able to be added to the list of eligible manufacturers with a 10.00% limit, subject to a rating agency condition. Additionally, existing OEM concentration limits may now increase up to 10%, likewise subject to a rating agency condition.

The addition of the truck limit is intended to, in the future, allow Avis to include these vehicles in the fleet. Avis has historically managed a fleet of approximately 20,000 trucks through its Centerpoint Financing facility and is seeking to add additional flexibility to the AESOP platform. These trucks will be treated separately for the purposes of CE and depreciation, with a required level of 35.75% CE and a minimum depreciation rate schedule that consists of 1.67% for the first 24 months of the vehicle's life and 0.75% thereafter.

The removal of the certain states concentration was made in tandem with the addition of the vehicles without a lien concentration limit. Historically, Avis has found it administratively burdensome in Ohio, Oklahoma and Nebraska to assign a lien to a third-party vendor due to the laws in those states, in particular the indenture trustee. This leads to the security interest in the vehicles in these states as existing but not perfected in the case of the indenture trustee.

As such, this limit has been in place historically to allow for AESOP vehicles in these states to be included as part of the operating lease. As part of efforts to modernize the platform, Avis has elected to broaden the definition of this concentration limit to apply to non-liened vehicles, regardless of state. Notably, the base indenture for the AESOP platform currently does not allow for any non-liened vehicles from any state other than Ohio, Oklahoma and Nebraska to be added to the fleet. Any change to this requirement would be subject to a rating agency condition.

Concentrations in excess of the above-defined limits require that additional enhancement be allocated to the transaction; otherwise, the notes will enter into early amortization.

Minimum Depreciation Levels

Program depreciation rates are established through OEM programs and are sized to result in an NBV equal to the vehicle's expected market value at the time they are returned to the OEMs.

Risk vehicle depreciation is variable depending on the market value of individual vehicles relative to the NBV of that vehicle. If the ratio of these two values is less than 105%, the required minimum depreciation rate is 1.67%. However, if market values begin to greatly exceed the NBVs of vehicles, this minimum depreciation rate will step down to prevent severe undervaluation of the vehicles. If the ratio of market value to NBV is between 105% and 110%, the minimum depreciation rate steps down to 1.00% and further to 0.50% if the ratio exceeds 110%. This is a change from historical transactions in which minimum depreciation was set at either 1.67% or variable based on the age of the vehicles.

Trucks, which are expected to be added to the fleet in the coming years, will have an established age-based schedule of minimum depreciation. Trucks aged between zero months and 24 months will depreciate at 1.67% per month, whereas older trucks will depreciate at a minimum of 0.75% thereafter.

Priority of Payments

The payment waterfall for each month will vary by the period the series is in, whether it is the revolving period, the controlled amortization period, a rapid amortization period or after the occurrence of an event of ABCR bankruptcy, either at ABCR or involving any other lessee or sublessee. The administrator will direct the trustee to allocate all amounts deposited into the collection account depending on the period as described below.

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During Revolving Period

- To the series collection account, allocable interest collections, which will be further allocated to the series accrued interest account.
- To the series excess collection account, allocable principal collections.

During Controlled Amortization Period

- To the series collection account, allocable interest collections, which will be further allocated to the series accrued interest account.
- To the series collection account, allocable principal collections, which will be used to make controlled principal payments to each of the notes in sequential order; provided, however, that if allocable principal exceeds the sum of controlled principal payments, such excess will be allocated to the series excess collection account.

During Rapid Amortization Period

- To the series collection account, allocable interest collections, which will be further allocated to the series accrued interest account.
- To the series collection account, allocable principal collections, which will be used to make sequential principal payments to each class of notes until each is paid in full; provided, however, that if ABCR determines:
  - allocable interest collections and other available amounts will be insufficient to pay due and unpaid monthly interest;
  - series available enhancement is greater than zero; and
  - then ABCR will reallocate a portion of allocable principal collections to the series accrued interest account to be treated as interest collections.

After Occurrence of Bankruptcy Event

- To the series collection account, the AESOP I operating lease allocable interest collections, which will be deposited in the series accrued interest account.
- To the series collection account, AESOP I operating lease allocable principal collections, which will be used to make sequential principal payments to each class until each class is paid full; provided, however, that if ABCR determines:
  - allocable interest collections and other available amounts will be insufficient to pay due and unpaid monthly interest; and
  - series available enhancement is greater than zero,
  - then ABCR will reallocate a portion of allocable principal collections to the series accrued interest account to be treated as interest collections.

Rapid Amortization Events

If any one of the following events shall occur during the revolving period, the accumulation period or the controlled amortization period with respect to any series of notes issued from AESOP, an early amortization event will be triggered for all notes outstanding from AESOP:

- AESOP defaults in paying interest on any note of such series when it becomes due and payable and that default continues for a period of five business days.
- AESOP defaults in paying principal or premium on any note of such series when it becomes due and payable and such default continues for a period of one business day.
- AESOP fails to comply with any of its other agreements or covenants in, or provisions of, any series and the failure to comply materially and adversely affects the interest of the noteholders of any series and continues to materially and adversely affect the interests of the noteholders for a period of 30 days after the earlier of:
  - the date AESOP learns of the instance of noncompliance; or

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  - the date when written notice is given to AESOP by the trustee or to AESOP and the trustee by the noteholders.

- An event of bankruptcy with respect to AESOP, AESOP Leasing, AESOP Leasing II, Original AESOP, PVHC, QFM, ABCR or any other lessee.
- Any loan event of default occurs, whether or not it is subsequently waived by AESOP.
- Any aggregate asset amount deficiency exists and continues for a period of 10 days.
- AESOP shall have become an "investment company" or shall have become under the control of an investment company under the Investment Company Act.
- Any of the loan agreements is terminated for any reason.
- Any representation made by AESOP is false and such false representation materially and adversely affects the interests of the noteholders of any series, and such false representation is not cured for a period of 30 days after the earlier of:
  - the date AESOP learns of the instance of false representation; or
  - the date when written notice is given to AESOP by the trustee or to AESOP and the trustee by the noteholders.
- Any of the operative documents shall not be in full force and effect or enforceable in accordance with its terms or if AESOP, any lessee, AESOP Leasing, AESOP Leasing II, Original AESOP, PVHC, QFM or any manufacturer or administrator states in writing.
- ABCR receives notice of termination of the Computer Services Agreement from WizCom pursuant to certain sections thereof and, in the case of any such notice pursuant to a particular section thereof, a qualified successor provider of vehicle processing services similar to WizCom is not appointed by ABCR on or before the date that is 180 days prior to the effective date of the termination.
- The occurrence of any event of default described in the licensing agreement.
- The occurrence of any administrator default.
- Any other event shall occur that may be specified in any supplement as an "amortization event."

The following constitute an amortization event for the 2023-3 notes, in each case, without necessity for any action on the part of the trustee or any noteholders, and shall be subject to waiver only by the consent of the noteholders.

- A CE deficiency occurs and is uncured for at least two business days.
- A series liquidity amount is less than the series required liquidity amount and remains uncured for at least two business days.
- The collection account, the series collection account, the excess collection account or the series reserve account are subject to an injunction, estoppel or other stay or lien outside of liens permitted under the operative documents.
- All P&I is not paid in full on or before the expected maturity date.
- There is no LOC for at least two business days and either a series enhancement deficiency or a liquidity reserve shortage results from the lack of an LOC.
- The cash collateral account shall be subject to an injunction, estoppel or other stay or lien outside of permitted liens for at least two business days and either a series enhancement deficiency or a liquidity reserve shortage results from the exclusion of the cash collateral account.
- A bankruptcy event shall have occurred with respect to any series LOC provider, or any series LOC provider repudiates its series LOC or refuses to honor a proper draw thereon, and either a series enhancement deficiency or a liquidity reserve shortage results from the exclusion of the LOC.

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Events of Default

Each lease provides that any one or more of the following will constitute a lease event of default:

- a default in rent payments by any lessee continues for at least five business days;
- any unauthorized assignment or transfer of the lease by any lessee thereunder;
- the failure of any lessee to maintain the insurance required under their lease (or, in the case of the lease guarantor, the failure to cause to be maintained);
- the failure of any lessee and the lease guarantor to observe or perform any other covenant, condition, agreement or provision thereof, including, but not limited to, usage and maintenance and such default continues for more than 30 days after written notice is sent by the lessor or the trustee;
- if any representation or warranty made by the lessee or the lease guarantor is inaccurate or incorrect, or is breached, false or misleading, and is not cured within 30 days after either the receipt of written notice from the lessor, issuer or the trustee or the lessee otherwise becomes aware of the circumstance;
- certain bankruptcy or insolvency events occur;
- a loan event of default occurs;
- a lease event of default occurs under any other lease; or
- the Pension Benefit Guaranty Corporation or the IRS files a notice of a lien against the lessee or lease guarantor that lasts for 30 days, unless the lessee or lease guarantor establishes adequate reserves in respect of the claim giving rise to such lien and is contesting it in good faith.

Like-Kind Exchange

The Tax Cuts and Jobs Act of 2017 (the Act) repealed the like-kind exchange treatment of vehicle sales or exchanges as of Jan. 1, 2018. Consequently, ABCR will not exchange vehicles using the qualified intermediary (QI) unless the tax code is amended further to accommodate for like-kind exchange treatment.

The like-kind exchange program previously allowed ABCR to defer tax gains on sold vehicles in the U.S. by replacing the sold vehicles with the vehicle disposition proceeds, typically within six months of disposition. AESOP Leasing and the other lessees disposed of vehicles through the QI, AESOP Exchange Corp., and replaced those vehicles with similar vehicles, subject to certain tax laws and regulations from 2004 to 2017, causing material tax deferral. The inability to utilize the QI moving forward could increase ABCR's cash payments to purchase new rental vehicles.

Commingling

From the closing date until the termination of the indenture, AESOP, as issuer, shall cause all collections due, and to become due to AESOP or the trustee, either to be paid directly to the trustee for deposit into the collection account or by AESOP Leasing, AESOP Leasing II or any lessee into the collection account within two business days of its receipt. Payments into the collection account are deposited daily and are not expected to be concentrated on any specific days in any given month, satisfying Fitch's counterparty criteria.

Furthermore, the transaction includes a required liquidity amount in the form of an LOC amounting to an expected size of 4.00% of the current note balance and/or a cash reserve account. The initial LOC is expected to be provided by JPMorgan Chase Bank, N.A. rated AA/F1+/Stable by Fitch. The LOC and/or cash reserve account mitigate potential payment interruption risk associated with the commingling of collections with the servicer's general accounts in a bankruptcy scenario. The liquidity amount adequately supports more than one month of servicing fee expenses and interest payments for all classes of notes, satisfying Fitch's counterparty criteria.

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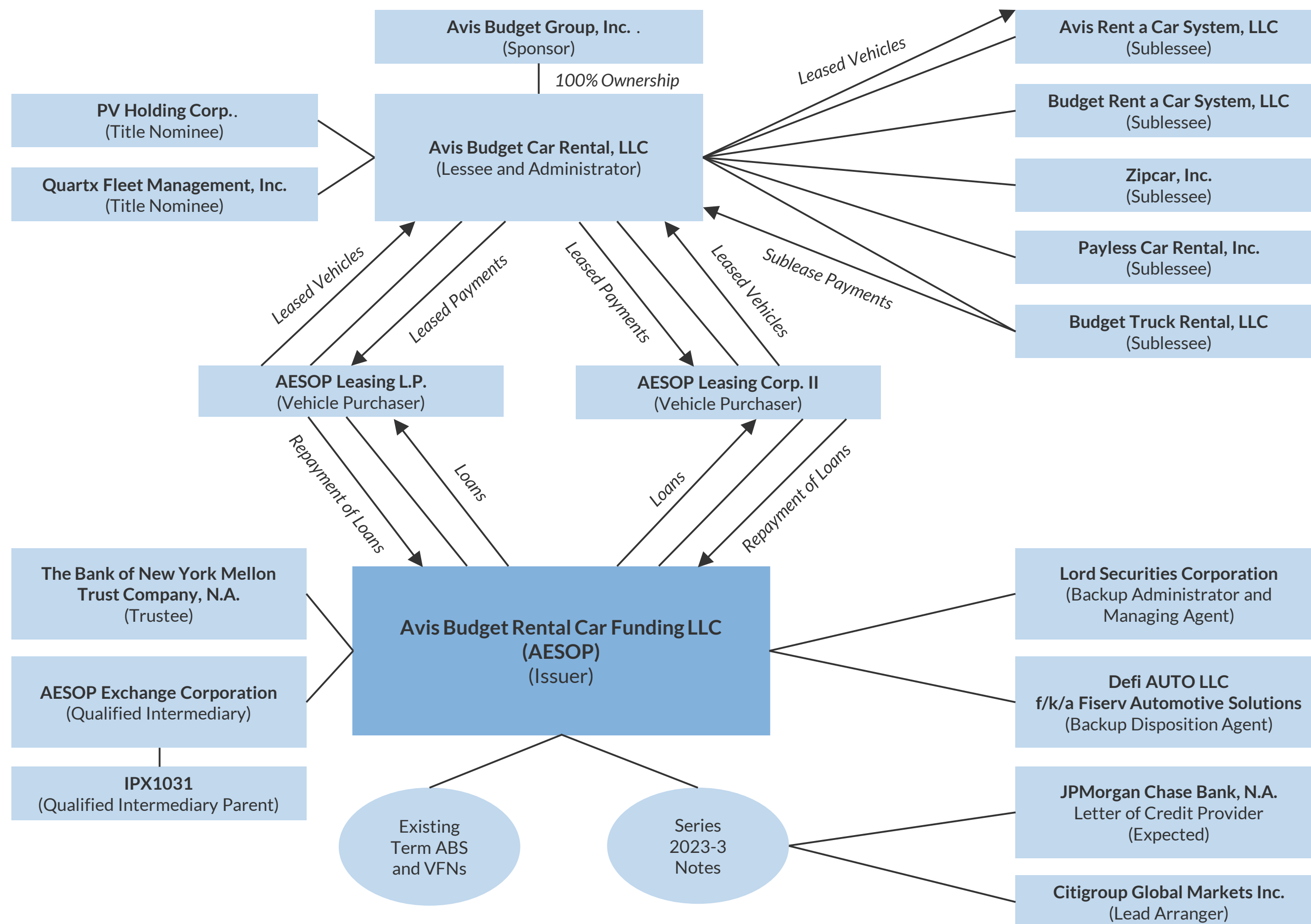
Structure Diagram



Source: Avis Budget Car Rental, LLC

Hedges

There is no hedge present in this transaction.

Rating Confirmations

Multiple instances in the transaction documents reference potential changes that are subject to a Fitch rating confirmation. Fitch is not a transaction party and has no obligation to provide rating confirmations. Fitch will continue to exercise its discretion in choosing to issue a rating confirmation or otherwise. Where relevant to Fitch's ratings, the agency prefers to issue public commentary on the rating impact of the change. Fitch's approach to and concerns regarding rating confirmations are highlighted in "Rating Confirmations in Structured Finance and Covered Bonds," available at www.fitchratings.com.

Disclaimer

Fitch relies in its credit analysis on legal and/or tax opinions provided by transaction counsel for the avoidance of doubt. Fitch has always made clear that it does not provide legal and/or tax advice or confirm that the legal and/or tax opinions, or any other transaction documents, or any transaction structures, are sufficient for any purpose. The disclaimer at the foot of this report makes it clear that this report does not constitute legal, tax and/or structuring advice from Fitch and should not be used or interpreted as legal, tax and/or structuring advice from Fitch. Should readers of this report need legal, tax and/or structuring advice, they are urged to contact relevant advisers in the relevant jurisdictions.

Counterparty Risk

Fitch assesses the counterparty risk under its "Structured Finance and Covered Bonds Counterparty Rating Criteria" to be in line with the ratings assigned based on the documentation provisions and analytical adjustments described in the following table.

Counterparty Risk Exposures

Counterparty Role/Risk	Counterparty	Relevant Ratings under Criteria	Minimum Ratings and Remedial Actions under Documents	Adjustment to Analysis If Minimum Ratings and Remedial Actions Not in Line with Criteria
Trustee/ Issuer Account Bank Risk	The Bank of New York Mellon Trust Company, N.A.	Long-Term/Short-Term IDR: A/F1	Minimum deposit ratings of A or F1; replacement or guarantee within 60 calendar days of downgrade below both minimum ratings.	Minimum ratings and remedial actions are in line with criteria for eligible accounts.
Servicer/Commingling Risk	Avis Budget Car Rental, LLC	Long-Term/ Short-Term IDRs: BBB/F2	If rated at least BBB or F2, collections held until the day on or prior to the payment date. If downgraded below the threshold, collections to be deposited within two days of receipt. The trustee is also the backup servicer in the event of the removal or resignation of the servicer.	Commingling risk is considered immaterial since funds must be remitted within two business days.
Servicer/Payment Interruption Risk	Avis Budget Car Rental, LLC	NR	There is no minimum rating requirement.	Payment interruption risk is considered immaterial in the U.S.
Servicing Continuity Risk	Avis Budget Car Rental, LLC	NR	There is no minimum rating requirement.	There is no servicer in rental fleet ABS issuances. Fitch's analysis focuses on the Chapter 7 bankruptcy of the rental car company and the liquidation of the fleet.

NR – Not rated
Source: Fitch Ratings, Avis Budget Car Rental, LLC

Collections will be deposited in the AESOP collection account, which will hold the funds for two business days prior to deposit into the series collection account. The indenture supplement includes language on qualified investments for funds in the series collection accounts regarding Fitch, which includes further qualifications if Fitch rates the notes. For investments other than money market funds, the investments must have a rating of 'AA–' or 'F1+' by Fitch. For money market funds, the fund must have a rating of 'AAAmmf' by Fitch or, if such fund is not rated by Fitch, ratings from two rating agencies from the highest category. Funds on deposit may remain uninvested if no instruction is provided by AESOP. However, AESOP is directing all investments within the series' accounts to be invested in the permitted investments as described.

Criteria Application, Model and Data Adequacy

Criteria Application

See page 2 for the list of Applicable Criteria.

Fitch applies its "Global Rental Fleet ABS Rating Criteria" as its sector-specific criteria under the overarching framework provided by the "Global Structured Finance Rating Criteria," which is the master criteria for the sector. The remaining criteria listed on page 2 under Applicable Criteria are cross-sector criteria that outline Fitch's approaches to counterparty risk and interest rate change vulnerability that are relevant for the ratings.

Data Adequacy

Substantially Material Sources

Fitch received over 11 years of historical fleet data segmented by program and risk for AESOP's vehicles. Data provided included fleet OEM concentrations and NBVs, depreciation and disposition experience and casualty losses. Fitch was also provided with fleet compositions by make, model, geography and other metrics.

Fitch views the received data as adequate to analyze this series. The data provided were not, to Fitch's knowledge, audited by any third parties or internationally recognized accounting firms.

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Fitch deems its expected loss assumptions, derived using the unaudited data, to be reasonable. The unaudited data received were compared to audited data included in the offering memorandum circular and are substantively the same as those provided to Fitch. Therefore, no adjustments were made to Fitch's analysis.

Use of Third-Party Due Diligence Pursuant to SEC Rule 17g-10

Fitch was provided with third-party due diligence information from Deloitte & Touche LLP. The third-party due diligence focused on comparing or recomputing certain information with respect to 365 loans from the statistical data file. Fitch considered this information in its analysis, and the findings did not have an impact on its analysis. A copy of the ABS Due Diligence Form-15E received by Fitch in connection with this transaction may be obtained via the link contained at the bottom of the related rating action commentary (RAC).

Surveillance

Fitch receives servicer reports on a monthly basis that detail asset performance and characteristics. If a transaction is identified as performing outside of expectations, a full review will be conducted, and any recommendations will be presented to a rating committee. If performance remains within expectations, the transaction will receive an in-depth review on an annual basis.

Transaction surveillance includes an ongoing review of the following: the financial strength or rating, if applicable, of the RFC and OEMs associated with the program agreements' terms; any transaction covenant breaches, such as MTM tests requiring the RFC to increase CE levels if depreciation and/or disposition values are outside of expectations; fleet management and servicing, including any material shifts in the concentration of vehicle types and/or OEMs, which could lead Fitch to reclassify a formerly diverse pool into a nondiverse pool; adequacy of the borrowing base to ensure full payment of the notes during a liquidation scenario, as well as ongoing vehicle depreciation and MTMs (valuation versus set residuals/values); and all transaction fees associated with the transaction, including bond interest, servicing fees, administrative fees, backup and liquidation fees, and casualty losses, among other items.

Fitch will regularly monitor the transaction. Details of the transaction's performance are available to subscribers at https://app.fitchconnect.com/home.

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Appendix 1: Origination and Servicing

Avis Budget Group, Inc.

Avis Budget Group, Inc. (ABG; NASDAQ: CAR) is a leading global provider of vehicle rental and car-sharing services, and the owner of Avis Budget Car Rental, LLC (ABCR), which operates two of the most recognized brands in the industry: Avis and Budget. Outside of these brands, ABCR also operates Zipcar, Payless, Apex Maggiore, France Cars, Morini and Turiscar. The company is a leading vehicle rental operator in North America, Europe, Australia, New Zealand and certain other regions it serves. ABG and its licensees operate over 11,000 car and truck rental locations in approximately 180 countries.

Recent 4Q22 Financial Results

For the three-month period ended Dec. 31, 2022, the company reported adjusted EBITDA of $658 million, with $624 million in the Americas, $63 million from the international business segment and negative $29 million from the corporate division and other business segments. This marks Avis's eighth consecutive quarter of positive adjusted EBITDA since the start of the pandemic and its strongest quarterly adjusted EBITDA in the Americas to date. Revenue for the quarter was up 8% compared to 4Q21 and up 28% from 4Q19. Net income for 4Q22 was $424 million, versus $381 million for the same period yoy.

Brand Overview

Avis serves the premium commercial and leisure travel segments. The Avis brand provides high-quality car rental services at price points generally above those of nonbranded and value-branded national car rental companies. ABCR operates or licenses the Avis car rental system, one of the largest car rental systems in the world, comprising roughly 5,300 locations worldwide, including in virtually all the largest commercial airports and cities in the world. Avis recently released "Avis Now," a mobile application that allows customers to reserve, confirm, choose or upgrade their vehicle, manage rental time, and add ancillary products and services, all with a smartphone or tablet device.

Budget primarily serves more value-conscious segments of the industry. ABCR operates or licenses the Budget vehicle rental system, with over 3,800 vehicle rental locations worldwide. Similar to Avis, Budget is located at most of the largest airports and cities in the world. While Avis is more focused on commercial customers, Budget's focus is primarily with leisure customers.

Founded in 2000 and acquired by ABCR in 2013, Zipcar is a leading car-sharing company with more than 1 million members in the U.S., Canada and Europe. Zipcar was the first car-sharing company in the U.S. to develop a self-service solution to managing the complex interactions of real-time, location-based activities inherent in a large-scale, car-sharing operation. Through advanced technology, Zipcar is able to adequately manage new member applications, reservations and keyless vehicle access, and fleet and member management.

Payless is a leading rental car supplier positioned to serve the deep value segment of the rental car industry, operating or licensing 240 locations worldwide. ABCR-operated locations are primarily in North America, with the majority at or near major airports. Although T&M is often lower than for the more established brands, Payless has historically achieved greater penetration of ancillary products and services to customers. Payless operates older vehicles and allows ABCR to shift vehicles out of Avis or Budget to Payless once they have exceeded certain mileage or age thresholds.

The Budget Truck rental business is one of the largest local and one-way truck rental businesses in the U.S., with a fleet comprising approximately 20,000 vehicles and a network of approximately 515 dealer-operated and 410 company-operated locations throughout the U.S. These dealers are independently owned businesses that generally operate other retail service businesses. The Budget Truck rental business serves both the consumer and light commercial sectors.

ABG also acquired the Apex Maggiore, France Cars, Morini and Turiscar rental brands in 2012, 2015, 2016 and 2018, respectively. Apex operates in the deep value segment of the rental car industry in Australia and New Zealand, with approximately 30 locations. Apex's fleet is older and less expensive than the Avis and Budget fleets and closely resembles the Payless fleet. Apex customers are typically within the leisure segment and operate rentals for longer time frames. ABG operates or licenses 150 Maggiore locations in Italy with a focus on the leisure, commercial and insurance replacement/leasing segments. France Cars was acquired in December 2016 and is one of the largest light commercial fleets in France with approximately 85 rental locations. Apex Maggiore, France Cars, Morini and Turiscar are not funded by AESOP.

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Appendix 2: ESG Relevance Score

FitchRatings **Avis Budget Rental Car Funding (AESOP) LLC, Series 2023-3**

SF ESG Navigator
ABS - Auto

Credit-Relevant ESG Derivation

Avis Budget Rental Car Funding (AESOP) LLC, Series 2023-3 has 5 ESG potential rating drivers

- Avis Budget Rental Car Funding (AESOP) LLC, Series 2023-3 has exposure to macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	5	issues	2
	4	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	2	Regulatory risks, fines, or compliance costs related to emissions, energy consumption and/or related reporting standards	Asset Quality; Surveillance	5
Energy Management	2	Assets' energy/fuel efficiency and impact on valuation	Asset Quality; Surveillance	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Asset, operations and/or cash flow exposure to extreme weather events and other catastrophe risk, including but not limited to flooding, hurricanes, tornadoes, and earthquakes	Surveillance	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	2	Compliance with consumer protection related regulatory requirements, such as fair/transparent lending, data security, and safety standards	Operational Risk; Surveillance	4
Labor Relations & Practices	2	Labor practices, pension obligations and related litigation	Surveillance	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior	Asset Quality; Surveillance	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Rule of Law, Institutional and Regulatory Quality	3	Jurisdictional legal risks; regulatory effectiveness; supervisory oversight; foreclosure laws; government support and intervention	Asset Isolation and Legal Structure; Asset Quality; Rating Caps; Surveillance	5
Transaction & Collateral Structure	3	Asset isolation; resolution/insolvency remoteness; legal structure; structural risk mitigants; complex structures	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Rating Caps; Surveillance	4
Transaction Parties & Operational Risk	3	Counterparty risk; origination, underwriting and/or aggregator standards; borrower/lessee/sponsor risk; originator/servicer/manager/operational risk	Asset Quality; Financial Structure; Operational Risk; Rating Caps; Surveillance	3
Data Transparency & Privacy	3	Transaction data and periodic reporting	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Surveillance	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular asset class. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the transaction's or program's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the transaction's or program's credit rating. The three columns to the left of the overall ESG score summarize the transaction's or program's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the transaction's or program's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the Sustainability Accounting Standards Board (SASB).

CREDIT-RELEVANT ESG SCALE - DEFINITIONS

How relevant are E, S and G issues to the overall credit rating?

Score	Definition
5	Highly relevant; a key transaction or program rating driver that has a significant impact on an individual basis.
4	Relevant to transaction or program ratings; not a key rating driver but has an impact on the ratings in combination with other factors.
3	Minimally relevant to ratings; either very low impact or actively mitigated in a way that results in no impact on the transaction or program ratings.
2	Irrelevant to the transaction or program ratings; relevant to the sector.
1	Irrelevant to the transaction or program ratings; irrelevant to the sector.

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