

# **Magellan Mortgages No. 3 plc**

**Euro 1,413,750,000 Class A Mortgage Backed Floating Rate Notes due 2058**

**Euro 33,750,000 Class B Mortgage Backed Floating Rate Notes due 2058**

**Euro 15,750,000 Class C Mortgage Backed Floating Rate Notes due 2058**

**Euro 36,750,000 Class D Mortgage Backed Floating Rate Notes due 2058**

**Euro 19,600,000 Class E Floating Rate Notes due 2058**

**Euro 250,000 Class F Notes due 2058**

## **Investor Report November 2005**



**Banco Comercial Português, S.A.  
Transaction Manager, Custodian and Servicer**

**1. Security Level Information**

	Magellan Mortgage No. 3 plc				
	Class A	Class B	Class C	Class D	Class E
Issuer Name					
Security Class Name	Class A	Class B	Class C	Class D	Class E
ISIN	XS0222684655	XS0222691510	XS0222691940	XS0222698523	XS0222698952
Bloomberg Ticker	MAGEL 3 A	MAGEL 3 B	MAGEL 3 C	MAGEL 3 D	MAGEL 3 E
Issue Date	30 Jun 2005	30 Jun 2005	30 Jun 2005	30 Jun 2005	30 Jun 2005
Maturity Date	15 May 2058	15 May 2058	15 May 2058	15 May 2058	15 May 2058
Subordination Level	Senior	Subord. to Class A Notes	Subord. to Class B Notes	Subord. to Class C Notes	Subord. to Class D Notes
S&P Rating	AAA	AA	A	BBB	BB
Moodys Rating	Aaa	Aa2	A2	Baa2	Ba1
Currency	Euro	Euro	Euro	Euro	Euro
Total Original Balance	1.413.750.000,00	33.750.000,00	15.750.000,00	36.750.000,00	19.600.000,00
Total Beginning Balance Prior to Distribution	1.413.750.000,00	33.750.000,00	15.750.000,00	36.750.000,00	19.600.000,00
Total Ending Balance Subsequent to Distribution	1.378.626.795,00	33.750.000,00	15.750.000,00	36.750.000,00	12.330.987,20
Total Principal Distribution	35.123.205,00	0,00	0,00	0,00	7.269.012,80
Pool Factor	97,51560000%	100,00000000%	100,00000000%	100,00000000%	62,91320000%
Principal Deficiency Ledger	0,00	0,00	0,00	0,00	n/a
Total Interest Distributions	12.074.367,50	296.010,00	144.175,50	370.219,50	270.329,73
Payment Date	15 Nov 2005	15 Nov 2005	15 Nov 2005	15 Nov 2005	15 Nov 2005
Quarterly Collection Date	31 Oct 2005	31 Oct 2005	31 Oct 2005	31 Oct 2005	31 Oct 2005
Calculation Period	1	1	1	1	1
Accrual Beginning Date	30 Jun 2005	30 Jun 2005	30 Jun 2005	30 Jun 2005	30 Jun 2005
Accrual Ending Date	15 Nov 2005	15 Nov 2005	15 Nov 2005	15 Nov 2005	15 Nov 2005
Accrual Period	138 days	138 days	138 days	138 days	138 days
Accrual Rate	2,228 %	2,288 %	2,388 %	2,628 %	3,598 %
Euro Reference Rate	2,098 %	2,098 %	2,098 %	2,098 %	2,098 %
Spread (bps)	13	19	29	53	150
Denomination	10.000,00	10.000,00	10.000,00	10.000,00	10.000,00
Day Basis	Act/360	Act/360	Act/360	Act/360	Act/360
Reset Rate Effective Date	11 Nov 2005	11 Nov 2005	11 Nov 2005	11 Nov 2005	11 Nov 2005
New Denomination for the next period	9.751,56	10.000,00	10.000,00	10.000,00	6.291,32

**(Amounts in Euro)**

## 2. Collateral Level Information

CP ending 31 Oct 2005

**Mortgage Asset Portfolio**

	<b>Amount</b>	<b>Nr of Loans</b>
Beginning Principal Outstanding Balance	1.500.000.031,92	24.402
Principal Redemption	35.123.543,27	286
Scheduled Principal Redemption	13.580.788,80	
Prepayments	21.542.754,47	
CPR	5,67%	
Deemed Principal Losses	0,00	
Retired Mortgages Assets in excess of substitute loans	0,00	0
Principal Adjustments	42.612,52	31
Ending Principal Outstanding Balance	1.464.919.101,17	24.147
Ending Principal Outstanding Balance at Closing Date	1.495.358.931,35	24.378

	<b>21 Jun 05</b>	<b>31 Oct 05</b>
WA Interest Rate	3,36866 %	3,37841 %
WA Current LTV (Outstanding Loan Amount/Initial Valuation)	74,3%	73,6%
WA Original LTV (Initial Loan Amount/Initial Valuation)	76,5%	76,9%
Average Loan Balance	61.470,37	60.666,71
Maximum Loan Balance	245.989,15	243.946,85
Minimum Loan Balance	20,00	19,53

**Delinquent Mortgage Loans**

	<b>Amount</b>	<b>Nr of Loans</b>
30 - 59 days	3.910.178,25	69
60 - 89 days	1.469.855,92	26
90 - 179 days	1.660.638,53	27
180 - 269 days	0,00	0
270 - 365 days	0,00	0
> 365 days	0,00	0
	<u>7.040.672,70</u>	<u>122</u>

Number of loans in Legal Proceedings	0
( of which the mortgage loan is current*)	0

\* proceedings initiated by other creditors

**Retired Mortgages Asset Pool**

	<b>Amount</b>	<b>Nr of Loans</b>
Breach of Reprs. & Warranties	0,00	0
Non Permitted Variations	7.757.690,65	129

**Substitute Mortgage Asset Pool**

	<b>Amount</b>	<b>Trigger</b>	<b>Result</b>
Current Period	<b>7.800.303,17</b>		
Cumulative during 1 year from the Closing Date	7.800.303,17	75.000.001,60	Pass
Cumulative since Closing Date	7.800.303,17	150.000.003,19	Pass
Current WA Spread for the Pool	1,13%	1,00%	Pass

**Permitted Variations**

	<b>Amount</b>	<b>Trigger</b>	<b>Result</b>
Cumulative since Closing Date	86.610.103,89	300.000.006,38	Pass

**Provisioning**

	<b>Loans in arrear</b>	<b>%</b>	<b>Amount</b>
Principal Outstanding Balance to be provisioned			<b>0,00</b>
Amount to be provisioned	>= 12 months	25%	0,00
	>= 24 months	50%	0,00
	>= 36 months	100%	0,00

(Amounts in Euro)

**3. Triggers and Tests Determinations****Portfolio Trigger Event**

Mortgage Loans in arrears (90 - 365 days)	1.660.638,53
Aggregate Principal Outstanding Balance of the Mortgage Loans on 21 June 2005 (CDD)	1.500.000.031,92
Ratio	0,11%
Trigger (maximum)	<b>4,50%</b>
Result	<b>PASS</b>

**Net Cumulative Default Ratio**

Aggregate Principal Outstanding Balance of the Defaulted Mortgage Assets net of collections + repurchase proceeds + recoveries in respect of defaulted mortgage assets	0,00
Aggregate Principal Outstanding Balance of the Mortgage Assets as at the CDD	1.500.000.031,92
Ratio	0,00%
Trigger (less than)	<b>15,00%</b>
Result	<b>PASS</b>

**Pro-Rata Test****FAIL**

(a) Principal Amount Outstanding of the Class A Notes	1.378.626.795,00
Principal Amount Outstanding of the Class A Notes as at the Closing Date	1.413.750.000,00
Ratio	97,52%
Trigger (less or equal)	<b>75,00%</b>
Result	FAIL
(b) Cash Reserve Account	13.500.000,00
Cash Reserve Account Required Balance	13.500.000,00
Result	PASS
(c) Principal Outstanding Balance of the Mortgage Loans in arrears (90-365 days)	1.660.638,53
Principal Outstanding Balance of the Mortgage Loans as at the CDD	1.500.000.031,92
Ratio	0,11%
Trigger (less)	<b>1,80%</b>
Result	PASS

**Cash Reserve Release Test****FAIL****Contingent Liquidity Event****NO****(Amounts in Euro)**

**4. Unit Waterfall**

**Unit Interest Waterfall**

	<b>FDD</b>
	<b>10 Nov 2005</b>
Opening Balance	<u>0,00</u>
Additions to Interest Waterfall	
Interest Collections Proceeds	20.717.110,66
Interest on Fund Account	<u>190.106,70</u>
	<u>20.907.217,36</u>
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0,00
Fund Expenses (see detail below)	683.843,42
Unit Distribution - Interest Component	<u>20.223.373,94</u>
	<u>20.907.217,36</u>
Closing Balance	<u>0,00</u>

**Unit Principal Waterfall**

	<b>FDD</b>
	<b>10 Nov 2005</b>
Opening Balance	<u>0,00</u>
Additions to Principal Waterfall	
Principal Collections Proceeds	<u>35.123.543,27</u>
	<u>35.123.543,27</u>
Deductions from Principal Waterfall	
Unit Distribution - Principal Component	<u>35.123.543,27</u>
	<u>35.123.543,27</u>
Closing Balance	<u>0,00</u>

Fund Expenses:

Supervision Fee due and payable by the Fund to the C.M.V.M.	40.008,32
Fund Manager Fees and Liabilities	77.260,21
Custodian Fees and Liabilities	51.506,81
Servicer Fees and Expenses	<u>515.068,08</u>
	<u>683.843,42</u>

**(Amounts in Euro)**

## 5. Interest Distribution

IPD  
15 Nov 2005

Available Interest Distribution Amount	
Unit Distributions - Interest Component	20.223.373,94
Receipts under the Swap Agreement	0,00
Receipts under the Interest Rate Cap Agreement	0,00
Gains on Authorised Investments	0,00
Cash Reserve Drawing	0,00
Cash Reserve Account Release Amount	0,00
Principal Draw Amount	0,00
Contingent Liquidity Drawing	0,00
Interest accrued and credited to the Issuer Account	2.926,88
Interest accrued and credited to the Cash Reserve Account	87.452,81
Class F proceeds to the extent not used to fund initial up-front transaction expenses	234.261,50
Residual Interest Component re. previous period	0,00
<b>Total Available Interest Distribution Amount</b>	<b><u>20.548.015,13</u></b>

Pre-Enforcement Interest Payment Priorities	
(1st) Issuer's Liability to tax	0,00
(2nd) Trustee fees and Liabilities	0,00
(3rd) Issuer Expenses (See detail below)	37.632,61
(4th) Amounts due and payable to the Contingent Liquidity Facility Provider	0,00
(5th i) Payments under Swap Agreement. (except for an Early Termination of Swap Agreement.)	86.250,00
(5th ii) Payments under Interest Rate Cap Agreement. (except for an Early Termination of Interest Rate Cap A)	0,00
(6th i) Class A Notes unpaid interest	12.074.367,50
(6th ii) Payments under Swap Agreement. (except for a default by the Swap Counterparty)	0,00
(6th iii) Payments under Interest Rate Cap Agreement. (except for a default by the Interest Rate Cap Counterpa	0,00
(7th) Reduction of the debit balance on the Class A Principal Deficiency Ledger	0,00
(8th) Class B Notes unpaid interest	296.010,00
(9th) Reduction of the debit balance on the Class B Principal Deficiency Ledger	0,00
(10th) Class C Notes unpaid interest	144.175,50
(11th) Reduction of the debit balance on the Class C Principal Deficiency Ledger	0,00
(12th) Class D Notes unpaid interest	370.219,50
(13th) Reduction of the debit balance on the Class D Principal Deficiency Ledger	0,00
(14th) Class E Notes unpaid interest	270.329,73
(15th) Payment to the Cash Reserve Account	0,00
(16th i) Payments under Swap Agreement. (in case of default by Swap Count.)	0,00
(16th ii) Payments under Interest Rate Cap Agreement. (in case of default by Interest Rate Cap Count.)	0,00
(17th) Payment of Principal Amount Outstanding on the Class E Notes (see detail below)	7.269.012,80
(18th) Class F Notes Distribution Amount	0,00
(19th) Release of the Balance (if any) to the Issuer	0,00
<b>Total Pre-Enforcement Interest Payment Priorities</b>	<b><u>20.547.997,64</u></b>

Issuer Expenses	
Agent Bank and Paying Agents fees and Liabilities (including Principal Paying Agent and	0,00
Transaction Manager fees and Liabilities	25.833,33
Account Bank fees	0,00
Corporate Services Provider fees and Liabilities	11.799,28
Third Party Expenses	0,00
	<u>37.632,61</u>

Payment of Principal Amount Outstanding on the Class E Notes	
Residual Available Interest Distribution Amount	7.269.030,29
Number of outstanding Class E Notes	1.960
Class E Notes Principal Payment - per Note	3.708,68
Class E Notes Principal Payment	7.269.012,80
Residual Interest Component due to rounding	17,49

(Amounts in Euro)

**6. Principal Distribution**

**IPD  
15 Nov 2005**

Available Principal Distribution Amounts	
Unit Distribution - Principal Component (see detail below)	35.123.543,27
Available Interest Distribution Amount used to reduce PDL's	0,00
Residual Principal Component re. previous period	0,00
Less, Principal Draw Amount	0,00
<b>Total Available Principal Distribution Amount</b>	<b><u>35.123.543,27</u></b>
Pre-Enforcement Principal Payment Priorities	
Pro-Rata Test Satisfied (TRUE/FALSE)	FALSE
Where the Pro-Rata Test has not been satisfied, payment of:	
Principal Amount Outstanding of Class A Notes (see detail below)	35.123.205,00
Principal Amount Outstanding of Class B Notes	0,00
Principal Amount Outstanding of Class C Notes	0,00
Principal Amount Outstanding of Class D Notes	0,00
<b>Total Pre-Enforcement Principal Payment Priorities</b>	<b><u>35.123.205,00</u></b>
Unit Distribution - Principal Component	35.123.543,27
Interest Addition Amount	0,00
Number of outstanding Class A Notes	141.375
Class A Notes Principal Payment - per Note	248,44
Class A Notes Principal Payment	35.123.205,00
Residual Principal Component due to rounding	338,27

**(Amounts in Euro)**

<b>7. Cash Reserve Account</b>	<b>IPD</b>
	<b>15 Nov 2005</b>
Opening Balance	<u>0,00</u>
Additions to Cash Reserve Account	
Class E Notes Proceeds (excl. Unit Purchase Amount)	13.500.000,00
Replenishment of the Cash Reserve Account	0,00
Interest accrued on Issuer Cash Reserve Account	<u>87.452,81</u>
	<u>13.587.452,81</u>
Deductions from Cash Reserve Account	
Cash Reserve Drawing	0,00
Cash Reserve Release Amount	0,00
Interest on Issuer Cash Reserve Account transf. to Issuer Account	<u>87.452,81</u>
	<u>87.452,81</u>
Closing Balance	<u>13.500.000,00</u>
<b>Cash Reserve Account Required Balance</b>	<b>13.500.000,00</b>

**(Amounts in Euro)**

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**8. Contacts**

**Transaction Manager, Custodian and Servicer**

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