

**ALESCO Preferred Funding XVI, Ltd.
ALESCO Preferred Funding XVI, LLC
ALESCO Preferred Funding XVI (L2), Ltd.**

Report to:

ALESCO Preferred Funding XVI, Ltd.

ALESCO Preferred Funding XVI, LLC

ALESCO Preferred Funding XVI (L2), Ltd.

ALESCO Financial Inc.

and

U.S. Bank National Association

24 June 2019



**Building a better
working world**



Ernst & Young LLP
5 Times Square
New York, NY 10036-6530

Tel: +1 212 773 3000
Fax: +1 212 773 6350
ey.com

Report of Independent Accountants on Applying Agreed-Upon Procedures

ALESCO Preferred Funding XVI, Ltd.
ALESCO Preferred Funding XVI (L2), Ltd.
c/o Intertrust SPV (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005
Cayman Islands

ALESCO Preferred Funding XVI, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

ALESCO Financial Inc.
2929 Arch Street, 17th Floor
Philadelphia, Pennsylvania 19104-2870

U.S. Bank National Association
One Federal Street
Boston, Massachusetts 02110

Re: ALESCO Preferred Funding XVI, Ltd.

We have performed the procedures enumerated below, which were agreed to by the addressees (collectively, the "Specified Parties") of this report, solely to assist ALESCO Preferred Funding XVI, Ltd. (the "Issuer") in evaluating whether information presented in the monthly report and the note valuation report relating to the Issuer's June 2019 distribution date (together, the "NVR") is prepared in accordance with the indenture among the Issuer, ALESCO Preferred Funding XVI, LLC (the "Co-Issuer," together with the Issuer, the "Co-Issuers"), ALESCO Preferred Funding XVI (L2), Ltd. (the "Second Tier Issuer") and U.S. Bank National Association (the "Trustee") dated 28 June 2007 (the "Indenture"). The Issuer is responsible for the NVR being prepaid in accordance with the Indenture.

The sufficiency of these procedures is solely the responsibility of the Specified Parties identified in this report. Consequently, we make no representation regarding the sufficiency of the procedures, as described below, either for the purpose for which this report has been requested or for any other purpose. Furthermore, we make no representations and express no opinion as to: (a) questions of legal interpretation, (b) the sufficiency of the requirements of the Indenture, (c) the accuracy, completeness or reasonableness of the assumptions and methodologies set forth in the Indenture and (d) the accuracy, completeness or reasonableness of the information provided to us by the Trustee, on behalf of the Issuer. This report does not constitute a legal determination as to the Issuer's compliance with the Indenture's specified requirements.

We have read the definition of Independent in the Indenture and confirm that we are Independent with respect to the Co-Issuers and Second Tier Issuer within that meaning and within Rule 1.200 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture.

The Trustee, on behalf of the Issuer, provided us with:

- a. Electronic data files and related decodes (the “Data Files”) that the Trustee indicated contain information on a portfolio of certain Bank Trust Preferred Securities, Insurance Trust Preferred Securities, Bank Subordinated Notes, Insurance Subordinated Notes, Surplus Notes, Senior Securities and DPC Subordinated Notes (the “Collateral Debt Securities”),
- b. A copy of the NVR, certain pages of which are attached as Exhibit 1,
- c. A copy of the Indenture,
- d. Copies of the Issuer’s hedge confirmations dated 22 June 2007 through 20 December 2007 confirming the terms and conditions of swap transactions between Merrill Lynch Capital Services, Inc. and the Issuer (the “Hedge Agreements”) all of which are terminated as of September 2017 Payment Date,
- e. A copy of the successor collateral manager notice dated 7 December 2018 (the “Successor Collateral Manager Notice”) and
- f. Certain assumptions (the “Assumptions”), which we are shown on the attached Exhibit 2.

The Trustee, on behalf of the Issuer, indicated that the Collateral Debt Securities on the Data Files were the Collateral Debt Securities held by the Issuer and managed by Hildene Collateral Management Company, LLC (the “Collateral Manager”), successor to ATP Management LLC, an affiliate of Fortress Investment Group LLC, successor to Cohen & Company Financial Management, LLC, formerly known as Cohen Bros. Financial Management, LLC as of the Determination Date related to the Issuer’s June 2019 Distribution Date, the information on the Data Files was used to prepare the NVR and the copy of the NVR is the relevant report relating to the Issuer’s June 2019 Distribution Date.

The Collateral Manager, on behalf of the Issuer, instructed the Trustee to withhold any Interest Holdback Amount after the failure of the applicable Coverage Tests (in such order of priority pursuant to Section 11.1(a)(i) of the Indenture after the failure of the respective Class of Coverage Test), instead of distributing such Interest Holdback Amount according to Section 11.1 of the Indenture, based on their interpretation of the Indenture (the “Collateral Manager Methodology”). Accordingly, the agreed-upon procedures were performed using the Collateral Manager Methodology.

The Issuer is responsible for the Collateral Manager Methodology and the information contained in the Data Files and Exhibits 1 and 2. Except as indicated below, we performed no procedures to test the accuracy or completeness of the information provided to us.

The procedures we performed and our associated findings were as follows:

1. Using the applicable:
 - a. Information on the NVR,
 - b. Information on the Data Files,
 - c. Assumptions and
 - d. Information in the Indenture,we recalculated and found to be in agreement with the corresponding information on Exhibit 1 (except for the Weighted Average Life, as we were not provided with the necessary information to recalculate this Collateral Quality Test), the information indicated by the letter A on the pages of the NVR that are attached as Exhibit 1. In performing this procedure, we were instructed by the Trustee, on behalf of the Issuer, to ignore differences of (i) +/- \$1.00 or less or (ii) +/- 0.01% or less.

2. Using the applicable:
- a. Information on the NVR,
 - b. Information on the Data Files,
 - c. Assumptions,
 - d. Information in the Indenture,
 - e. Information in the Hedge Agreements,
 - f. Collateral Manager Methodology and
 - g. Information from prior period Note Valuation Reports,
- we recalculated and found to be in agreement with the corresponding information on Exhibit 1, the information indicated by the letter **B** on the pages of the NVR that are attached as Exhibit 1. In performing this procedure, we were instructed by the Trustee, on behalf of the Issuer, to ignore differences of (i) +/- \$1.00 or less or (ii) +/- 0.01% or less.

Unless otherwise specified in this report, the foregoing procedures were limited to a comparison of numbers or a recomputation of specified calculations applicable to the amounts and percentages appearing on Exhibit 1. We undertake no responsibility to update this report for events and circumstances occurring after the date hereof.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the NVR being prepared in accordance with the Indenture. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for information and use of the Specified Parties and is not intended to be, and should not be, used by anyone other than these Specified Parties.

Furthermore, this report should not be used by those who have not agreed to the procedures we performed and taken responsibility for the sufficiency of those procedures for their purposes and, without our prior consent, it is not to be used, circulated, quoted, or otherwise referred to for any other purpose.

Ernst + Young LLP

20 August 2019

Certain Pages of the NVR

(refer to Items 1. and 2.)



U.S. Bank Corporate Trust Services
CDO Administration Unit

Alesco Preferred Funding XVI, Ltd.
Note Valuation Report

As Of Date: 6/17/2019

Page: 1

Per Section 10.10(c)(1) of the Indenture

Note Balance and Deferred Interest Report

Notes	Original Aggregate Outstanding Principal Amount of the Notes	Outstanding Principal Amount of the Notes 3/25/2019	Principal Balance/ Original Balance 3/25/2019	Interest Deferred	Principal Payments	Deferred Interest Paid	Outstanding Principal Amount of the Notes 6/24/2019	Principal Balance/ Original Balance 6/24/2019
Class A Notes	\$349,000,000.00	\$215,564,021.76	61.77%	\$0.00	\$785,213.97	\$0.00	\$214,778,807.79	61.54%
Class B Notes	\$20,000,000.00	\$20,000,000.00	100.00%	\$0.00	\$0.00	\$0.00	\$20,000,000.00	100.00%
Class C Notes	\$85,250,000.00	\$85,250,000.00	100.00%	\$0.00	\$0.00	\$0.00	\$85,250,000.00	100.00%
Class D Notes	\$28,500,000.00	\$39,880,070.39	139.93%	\$489,069.80	\$0.00	\$0.00	\$40,369,140.19	141.65%
Totals from above	\$482,750,000.00	\$360,694,092.15		\$ 489,069.80	\$785,213.97		\$360,397,947.98	



U.S. Bank Corporate Trust Services
CDO Administration Unit

Alesco Preferred Funding XVI, Ltd.
Note Valuation Report

As Of Date: 6/17/2019

Page: 2

Per Section 10.10(c)(2)(3) of the Indenture

Interest Distribution Amount

Note Interest Accrual Period Start - Date : 3/25/2019
Note Interest Accrual Period End - Date : 6/23/2019
Number of days in current Interest Accrual Period 91 Variable Rate Notes
Number of days in current Interest Accrual Period 90 Fixed Rate Notes

Calculation Basis : Actual # of Days / 360 For Variable-Rate Notes
30 days per month / 360 for Fixed-Rate Notes

Notes	Current Balance	Note Interest Rate	Interest Accrued	Interest Payable
Class A Notes	\$215,564,021.76 ^B	2.92150%	\$1,591,919.34 ^B	\$1,591,919.34 ^B
Class B Notes	\$20,000,000.00	3.38150%	\$170,953.61	\$170,953.61
Class C Notes	\$85,250,000.00	3.70150%	\$797,647.55	\$797,647.55
Class D Notes	\$39,880,070.39	4.85150%	\$489,069.80	\$0.00
Totals from above :	\$360,694,092.15		\$3,049,590.30	\$2,560,520.50
Dividend Payable				
1st Tier Preference Shares	\$26,000.00	0.00%	\$0.00	
2nd Tier Preference Shares	\$6,500.00	0.00%	\$0.00	



**U.S. Bank Corporate Trust Services
CDO Administration Unit**

**Alesco Preferred Funding XVI, Ltd.
Note Valuation Report**

As Of Date: 6/17/2019

Page: 4

Per Section 10.10(c)(5) of the Indenture

Per Section 11.01 (a)(i) of the Indenture

Payment Date Waterfall (Interest Collection Account)

Balance on deposit in the Interest Collection Account at the end of the related Due Period		\$3,527,511.82
---	--	-----------------------

	Amount Paid	Amount Remaining
--	--------------------	-------------------------

(i) On each Distribution Date, Interest Proceeds with respect to the related Due Period will be applied in the order of priority set forth below:		\$3,527,511.82
---	--	----------------

(1) (a) first, to the payment of taxes and filing and registration fees owed by the Issuer and the Second Tier Issuer, if any; and (b) second, to the retention in the Interest Collection Account of an amount equal to (x) the Interest Holdback Amount for such Distribution Date minus (y) the Aggregate Interest Holdback Distribution Amount for such Distribution Date;	a	\$300.00		\$3,527,211.82
	b	\$0.00	B	\$3,527,211.82

(2) (a) first, to the payment, in the following order, to the Trustee, the First Tier Preferred Share Paying Agent, the Second Tier Preferred Share Paying Agent, the Note Registrar and the Collateral Administrator of accrued and unpaid fees and expenses (including amounts in respect of indemnities) owing to them under the Indenture, the First Tier Preferred Share Paying Agency Agreement, the Second Tier Preferred Share Paying Agency Agreement and the Collateral Administration Agreement, as applicable; (b) second, to the payment of all other accrued and unpaid Administrative Expenses of the Issuer payable under this Indenture (excluding fees and expenses described in clause (a) above, the Collateral Management Fee and any Collateral Manager Make Whole Amount and principal of and interest on the Rated Notes but including other amounts for which the	a	\$18,462.66		\$3,508,749.16
	b	\$49,182.54		\$3,459,566.62
	c	\$0.00	B	\$3,459,566.62

Collateral Manager may claim reimbursement pursuant to the Collateral Management Agreement); provided, that all payments made on such Distribution Date pursuant to clauses (a) and (b), together with amounts disbursed from the Expense Account during the Due Period corresponding to such Distribution Date, do not exceed the Expense Cap; and (c) third, after application of the amounts under clauses (a) and (b) of this paragraph (2) and if such date is not the Stated Maturity or a Redemption Date, if the balance of all Eligible Investments and cash in the Expense Account on the related Determination Date is less than U.S.\$100,000, for deposit to the Expense Account an amount equal to such amount as will cause the balance of all Eligible Investments and cash in the Expense Account immediately after such deposit to equal U.S.\$ 100,000;

(3) to the payment to the Collateral Manager of accrued and unpaid Base Collateral Management Fee;

(4) to the payment of any Hedge Payment Amounts to the Hedge Counterparty, including any Qualified Termination Payments but not including any Non-Qualified Termination Payments;

(5) to the payment of accrued and unpaid interest on the Class A Notes (including Defaulted Interest and any interest thereon);

(6) (a) if either Class A Coverage Test is not satisfied on the related Determination Date and if any Class A Note remains Outstanding, to the payment of principal of the Class A Notes, to the extent necessary to cause each of the Class A Coverage Tests to be satisfied on the related Determination Date and (b) on the first Distribution Date after the occurrence of a Ramp-Up Ratings Confirmation Failure, in the event that the Issuer is unable to obtain a Ratings Confirmation after the application of Uninvested Proceeds to pay principal of the Rated Notes, to the payment of principal of the Class A Notes, to the extent specified by each Rating Agency in order to obtain a Ratings Confirmation;

(7) to the payment of, first, accrued and unpaid interest on the Class B Notes (including Defaulted Interest and interest thereon, if any) and, second, any Class B

Amount Paid

Amount Remaining

\$114,641.73

B

\$3,344,924.89

\$0.00

\$3,344,924.89

\$1,591,919.34

B

\$1,753,005.55

\$0.00

\$1,753,005.55

\$170,953.61

(\$0.00)

B

\$1,582,051.94

\$1,582,051.94

Deferred Interest;

(8) if the Class B Overcollateralization Test is not satisfied on the related Determination Date and if any Class A Note or Class B Note remains Outstanding, to the payment of principal of, first, the Class A Notes and second, the Class B Notes, to the extent necessary to cause the Class B Overcollateralization Test to be satisfied on the related Determination Date;

(9) to the payment of, first, accrued and unpaid interest on the Class C Notes (including Defaulted Interest and interest thereon, if any), and, second, any Class C Deferred Interest;

(10) if the Class C Overcollateralization Test is not satisfied on the related Determination Date and if any Class A Note, Class B Note or Class C Note remains Outstanding, to the payment of principal of, first, the Class A Notes, second, the Class B Notes, and, third, the Class C Notes, to the extent necessary to cause the Class C Overcollateralization Test to be satisfied on the related Determination Date;

(11) to the payment of accrued and unpaid interest on the Class D Notes (including, in each case, Defaulted Interest and interest thereon, if any, but excluding Class D Deferred Interest);

(12) (a) if either the Class D Overcollateralization Test and/or the Class B/C/D Interest Coverage Test is not satisfied on the related Determination Date and if any Class A Note, Class B Note, Class C Note or Class D Note remains Outstanding, to the payment of principal of, first, the Class A Notes, second, the Class B Notes, third, the Class C Notes, and, fourth, the Class D Notes, to the extent necessary to cause each of the Class D Overcollateralization Test and the Class B/C/D Interest Coverage Test to be satisfied on the related Determination Date, and (b) on each Distribution Date in which a Ramp-Up Ratings Confirmation Failure is in effect, in the event that the Issuer is unable to obtain a Ratings Confirmation to the payment of principal of, first, the Class A Notes, second, the Class B Notes, third, the Class C Notes, and fourth, the Class D Notes, to the extent necessary in order to obtain a Ratings Confirmation from each Rating Agency;

Amount Paid

Amount Remaining

A	\$0.00	
B	\$0.00	
C	\$797,647.55	\$784,404.39
C de	\$0.00	\$784,404.39
A	\$784,404.39	\$0.00
B	\$0.00	\$0.00
C	\$0.00	\$0.00
D	\$0.00	\$0.00
A	\$0.00	\$0.00
B	\$0.00	\$0.00
C	\$0.00	\$0.00
D	\$0.00	\$0.00

B

	Amount Paid	Amount Remaining
(13) to the payment of any Class D Deferred Interest;	\$0.00	\$0.00
(14) on each Distribution Date prior to the Distribution Date in June 2010, U.S.\$83,333, and on the Distribution Date in June 2010, an amount equal to the lesser of (x) U.S.\$83,333 and (y) an amount equal to U.S.\$1,000,000 minus the entire balance in the Interest Reserve Account on such Distribution Date, after giving effect to the transfer of the Shortfall Amount, if any, to the Payment Account with respect to such Distribution Date, shall be deposited into the Interest Reserve Account, and on each Distribution Date after such Distribution Date in June 2010, on which Class A Notes or Class B Notes remain outstanding and the balance in the Interest Reserve Account is less than U.S.\$1,000,000, an amount equal to the lesser of (a) \$1,000,000 minus the entire balance in the Interest Reserve Account after giving effect to the transfer of the Shortfall Amount, if any, to the Payment Account with respect to such Distribution Date and (b) 15% of all remaining amounts, after giving effect to all payments made through and including paragraph (13) above, shall be deposited into the Interest Reserve Account until the balance therein equals U.S.\$1,000,000;	\$0.00	\$0.00
(15) to the payment of all other accrued and unpaid Administrative Expenses of the Issuer and the Second Tier Issuer (excluding any Collateral Management Fee and any Collateral Manager Make Whole Amount) not paid pursuant to paragraph (2) above, whether as the result of the limitations on amounts set forth therein or otherwise, pro rata;	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
(16) to the payment of any Non-Qualified Termination Payments payable by the Issuer pursuant to any Hedge Agreement;	\$0.00	\$0.00
(17) to the payment to the Collateral Manager from (and including) the Distribution Date occurring in June 2008 of any accrued and unpaid Subordinate Collateral Management Fee and, without duplication, any Collateral Manager Make Whole Amount;	\$0.00	\$0.00
	\$0.00	\$0.00

	Amount Paid	Amount Remaining
(18) on any Distribution Date on or after the Distribution Date in September 2017, to the payment of principal of, <i>first</i> , the Class A Notes, <i>second</i> , the Class B Notes, <i>third</i> , the Class C Notes, and <i>fourth</i> , the Class D Notes, until each such Class has been paid in full; <i>provided</i> , that all payments made pursuant to this paragraph (18) shall not exceed on any Distribution Date an amount equal to 60% of the Interest Proceeds that would otherwise be released from the lien of this Indenture and distributed to (a) the First Tier Preferred Share Paying Agent for distribution to the First Tier Preferred Shareholders in accordance with paragraphs (19) and (21) below and (b) the Collateral Manager for payment of the Incentive Management Fee in accordance with paragraph (20) below (in each case, assuming solely for such purpose that no payments are to be made pursuant to this paragraph (18));	\$0.00	\$0.00
(19) to be released from the lien of this Indenture and, to the fullest extent permitted under Cayman Islands law, paid to the First Tier Preferred Share Paying Agent for distribution to the First Tier Preferred Shareholders as a dividend on the First Tier Preferred Shares or as a return of capital in respect of the First Tier Preferred Shares as provided in the First Tier Issuer Charter, until the First Tier Preferred Shares have realized an Internal Rate of Return of 15%;	\$0.00	\$0.00
(20) to the payment to the Collateral Manager of the Incentive Management Fee; and	\$0.00	\$0.00
(21) the remainder, to be released from the lien of this Indenture and, to the fullest extent permitted under Cayman Islands law, paid to the First Tier Preferred Share Paying Agent for distribution to the First Tier Preferred Shareholders as a dividend on the First Tier Preferred Shares or as a return of capital in respect of the First Tier Preferred Shares as provided in the First Tier Issuer Charter;	\$0.00	\$0.00
<i>provided</i> , that with respect to amounts received by the Second Tier Issuer on any Distribution Date under either clause (19) or (21) above as the holder of the Underlying First Tier Preferred Shares, such amounts, to the fullest extent permitted under Cayman Islands law, will be paid to the Second Tier Preferred Share Paying Agent for distribution on such Distribution Date to the Second Tier Preferred Shareholders as a dividend on the		

Second Tier Preferred Shares or as a return of capital in respect of the Second Tier Preferred Shares as provided in the Second Tier Issuer Charter.

Amount Paid

Amount Remaining

Balance remaining in the Interest Collection Account after all payments and deposits to be made on such Distribution Date

\$0.00

Section 11.1 (a) (i) disbursements of Monies from Payment Account

Aggregate Interest Holdback Amount shall be applied as follows:

\$0.00

\$0.00

On each Distribution Date, after the application of Interest Proceeds as provided above, any Interest Holdback Amount, deposited to the Interest Collection Account pursuant to clause (1) above, will be applied to the payment of the amounts referred to in sub-clauses (2), (3), (4), (5), (7), (9), (11), (13), (14),(15) and (16) above, in such order of priority, to the extent such amounts are not paid in full with Interest Proceeds as described above.

(2) (a) first, to the payment, in the following order, to the Trustee, the First Tier Preferred Share Paying Agent, the Second Tier Preferred Share Paying Agent, the Note Registrar and the Collateral Administrator of accrued and unpaid fees and expenses (including amounts in respect of indemnities) owing to them under the Indenture, the First Tier Preferred Share Paying Agency Agreement, the Second Tier Preferred Share Paying Agency Agreement and the Collateral Administration Agreement, as applicable; (b) second, to the payment of all other accrued and unpaid Administrative Expenses of the Issuer payable under this Indenture (excluding fees and expenses described in clause (a) above, the Collateral Management Fee and any Collateral Manager Make Whole Amount and principal of and interest on the Rated Notes but including other amounts for which the Collateral Manager may claim reimbursement pursuant to the Collateral Management Agreement); provided, that all payments made on such Distribution Date pursuant to clauses (a) and (b), together with amounts disbursed from the Expense Account during the Due Period corresponding to such Distribution Date, do not exceed the Expense Cap; and (c) third, after application of the amounts under clauses (a) and (b) of this paragraph (2) and if such date is not the Stated Maturity or a Redemption Date, if the balance of all Eligible Investments and cash in the Expense Account on the related Determination Date is less than

a
b
c

\$0.00
\$0.00
\$0.00

\$0.00
\$0.00
\$0.00

		Amount Paid	Amount Remaining
U.S.\$100,000, for deposit to the Expense Account an amount equal to such amount as will cause the balance of all Eligible Investments and cash in the Expense Account immediately after such deposit to equal U.S.\$ 100,000;			
(3) to the payment to the Collateral Manager of accrued and unpaid Base Collateral Management Fee;		\$0.00	\$0.00
(4) to the payment of any Hedge Payment Amounts to the Hedge Counterparty, including any Qualified Termination Payments but not including any Non-Qualified Termination Payments;		\$0.00	\$0.00
(5) to the payment of accrued and unpaid interest on the Class A Notes (including Defaulted Interest and any interest thereon);	A	\$0.00	\$0.00
(7) to the payment of, first, accrued and unpaid interest on the Class B Notes (including Defaulted Interest and interest thereon, if any) and, second, any Class B Deferred Interest;	B	\$0.00 \$0.00	\$0.00 \$0.00
(9) to the payment of, first, accrued and unpaid interest on the Class C Notes (including Defaulted Interest and interest thereon, if any), and, second, any Class C Deferred Interest;	C	\$0.00	\$0.00
(11) to the payment of accrued and unpaid interest on the Class D Notes (including, in each case, Defaulted Interest and interest thereon, if any, but excluding Class D Deferred Interest);	D	\$0.00	\$0.00
(13) to the payment of any Class D Deferred Interest;		\$0.00	\$0.00
(14) on each Distribution Date prior to the Distribution Date in June 2010, U.S.\$83,333, and on the Distribution Date in June 2010, an amount equal to the lesser of (x) U.S.\$83,333 and (y) an amount equal to U.S.\$1,000,000 minus the entire balance in the Interest Reserve Account on such Distribution Date, after giving effect to the transfer of the Shortfall Amount, if any, to the Payment Account with respect to such Distribution Date, shall be deposited into the Interest Reserve Account, and on each Distribution Date after such Distribution Date in June 2010, on which		\$0.00	\$0.00

	Amount Paid	Amount Remaining
Class A Notes or Class B Notes remain outstanding and the balance in the Interest Reserve Account is less than U.S.\$1,000,000, an amount equal to the lesser of (a) \$1,000,000 minus the entire balance in the Interest Reserve Account after giving effect to the transfer of the Shortfall Amount, if any, to the Payment Account with respect to such Distribution Date and (b) 15% of all remaining amounts, after giving effect to all payments made through and including paragraph (13) above, shall be deposited into the Interest Reserve Account until the balance therein equals U.S.\$1,000,000;		
(15) to the payment of all other accrued and unpaid Administrative Expenses of the Issuer and the Second Tier Issuer (excluding any Collateral Management Fee and any Collateral Manager Make Whole Amount) not paid pursuant to paragraph (2) above, whether as the result of the limitations on amounts set forth therein or otherwise, pro rata;	\$0.00	\$0.00
	\$0.00	\$0.00
(16) to the payment of any Non-Qualified Termination Payments payable by the Issuer pursuant to any Hedge Agreement;	\$0.00	\$0.00



U.S. Bank Corporate Trust Services
CDO Administration Unit

Alesco Preferred Funding XVI, Ltd.
Note Valuation Report

As Of Date: 6/17/2019

Page: 9

Per Section 10.10 (c)(6) of the Indenture

Per Section 11.01 (a)(ii) of the Indenture

Payment Date Waterfall (Principal Collection Account)

Balance on deposit in the Principal Collection Account at the end of the related Due Period **\$809.58**

Amount Paid Amount Remaining

(ii) On each Distribution Date other than the Distribution Date related to the Final Maturity of the Notes , Principal Proceeds with respect to the related Due Period (other than Principal Proceeds as are reinvested (or allocated by the Collateral Manager for reinvestment) in Additional Collateral Debt Securities pursuant to and in compliance with the provisions of this Indenture ("Substitution Principal Proceeds")), will be distributed in the order of priority set forth below:

(1) to the payment of the amounts referred to in paragraphs (1) to (5) of Section 11.1 (a)(i) in the same order of priority specified therein, but only to the extent not paid in full thereunder;

\$0.00

B

\$809.58

(2) to the payment of principal to the Class A Notes until the Class A Notes have been paid in full;

\$809.58

\$0.00

(3) so long as no Class A Notes are Outstanding, to the payment of the amounts referred to in clause *first* of paragraph (7) of Section 11.1 (a)(i), but only to the extent not paid in full thereunder;

\$0.00

\$0.00

(4) to the payment of principal of the Class B Notes (including, to the extent not paid in full pursuant to paragraph (7) of Section 11.1 (a)(i), Class B Deferred Interest), until the Class B Notes have been paid in full;

\$0.00

\$0.00

(5) so long as no Class A Notes or Class B Notes are Outstanding, to the payment of the amount referred to in clause *first* of paragraph (9) of Section 11.1 (a)(i), but only to the extent not paid in full thereunder;

\$0.00

\$0.00

(6) to the payment of principal of the Class C Notes (including, to the extent not paid in full pursuant to paragraph (9) of Section 11.1 (a)(i) Class C Deferred Interest), until the Class C Notes have been paid in full;

\$0.00

\$0.00

(7) so long as no Class A Notes, Class B Notes or Class C Notes are Outstanding, to the payment of the amount referred to in paragraph (11) of Section 11.1(a)(i), but only to the extent not paid in full thereunder;

\$0.00

\$0.00

(8) to the payment of principal of the Class D Notes (including, to the extent not paid in full pursuant to paragraph (13) of Section 11. 1(a)(i), Class D Deferred Interest), until the Class D Notes have been paid in full;

\$0.00

\$0.00

(9) so long as no Rated Notes are Outstanding, to the payment of the amounts referred to in paragraphs (15), (16) and (17) of Section 11.1(a)(i), in the same order of priority specified therein, but only to the extent not paid in full thereunder;

\$0.00

\$0.00

(10) to be released from the lien of this Indenture and, to the fullest extent permitted under Cayman Islands law, paid to the First Tier Preferred Share Paying Agent for distribution to the First Tier Preferred Shareholders as a dividend on the First Tier Preferred Shares or as a return of capital on the First Tier Preferred Shares as provided in the First Tier Issuer Charter, until the First Tier Preferred Shares have realized an Internal Rate of Return of 15%;

\$0.00

\$0.00

(11) to the payment to the Collateral Manager of the Incentive Management Fee; and

(12) the remainder, to be released from the lien of this Indenture and, to the fullest extent permitted under Cayman Islands law, paid to the First Tier Preferred Share Paying Agent for distribution to the First Tier Preferred Shareholders as a dividend on the First Tier Preferred Shares or as a return of capital on the First Tier Preferred Shares as provided in the First Tier Issuer Charter;

\$0.00

\$0.00

provided, that with respect to amounts received by the Second Tier Issuer on any Distribution Date under either clause (10) or (12) above as the holder of the Underlying First Tier Preferred Shares, such amounts, to the fullest extent permitted under Cayman Islands law, will be paid to the Second Tier Preferred Share Paying Agent for distribution on such Distribution Date to the Second Tier Preferred Shareholders as a dividend on the Second Tier Preferred Shares or as a return of capital in respect of the Second Tier Preferred Shares as provided in the Second Tier Issuer Charter.

Balance remaining in the Principal Collection Account after all payments and deposits to be made on such Distribution Date

\$0.00



Alesco Preferred Fund XVI
Executive Summary
As of: 6/17/2019
Next Payment: 6/24/2019



Deal		Summary		Notes Detail	Principal Balance	Current Coupon	Periodic Interest
Collateral Manager:	ATP Management LLC	Calculation Date:	06/17/2019	Class A Notes	215,564,021.76	B 2.92	1,591,919.34
Closing Date:	06/28/2007	Next Payment Date:	06/24/2019	Class B Notes	20,000,000.01	3.38	170,953.61
Stated Maturity:	03/23/2038			Class C Notes	85,250,000.06	3.70	797,647.55
Account Manager:	Mike Quaille	Principal Amount:	319,262,795.66	Class D Notes	39,880,070.39	4.85	489,069.80
Account Mgr. Email:	michael.quaille@usbank.com	Proceeds:	809.39				
Analyst:	Derrick Beasley	Totals:	319,263,605.05	A	360,694,092.22		3,049,590.30
Analyst Email:	matthew.obrien@usbank.com						
		Principal Collection Account	809.39				
		Interest Collection Account	3,527,511.82				
		Interest Reserve Account	0.00				
		Expense Account	100,149.53				
Collateral Test Description		Current Threshold	6/17/2019 Current	5/31/2019 Result Prior			

Class A Overcollateralization Test	115.76%	141.82%	B	Passed	141.82%
Class B Overcollateralization Test	113.50%	129.78%		Passed	129.78%
Class C Overcollateralization Test	102.07%	95.29%		Failed	95.29%
Class D Overcollateralization Test	100.77%	84.76%		Failed	84.76%
Class A Interest Coverage Test	125.00%	210.12%		Passed	208.26%
Class D Interest Coverage Test	102.50%	109.68%		Passed	108.71%
Weighted Average Rating Report	580	355	A	Passed	355
Weighted Average Life Report	N/A	18.34		N/A	18.39
Weighted Average Spread Test	1.835%	1.646%	A	Failed	1.646%
Weighted Average Fixed Coupon Test	6.853%	7.218%		Passed	7.218%
Weighted Average Fitch Score	3.33	3.15		Passed	3.15



Alesco Preferred Fund XVI
Overcollateralization Test
As of : 6/17/2019
Next Payment: 6/24/2019



OVERCOLLATERALIZATION TEST	RATIO	REQUIRED LEVEL	CALCULATION	RESULT
Class A Overcollateralization Test	141.82%	115.76%	A / B	Passed
Class B Overcollateralization Test	129.78%	113.50%	A / C	Passed
Class C Overcollateralization Test	95.29%	102.07%	A / D	Failed
Class D Overcollateralization Test	84.76%	100.77%	A / E	Failed

NUMERATOR

The sum of:

Aggregate Principal Balance minus Defaulted and Deferring Securities	304,300,000.00
Eligible Investments	809.39
Recovery of Defaulted Securities	926,279.57
Recovery of Deferring Securities	485,000.00
Total for A:	305,712,088.96

DENOMINATOR

Class A Notes	215,564,021.76
Total for B:	215,564,021.76
Class B Notes	20,000,000.00
Total for C:	235,564,021.76
Class C Notes	85,250,000.06
Total for D:	320,814,021.82
Class D Notes	39,880,070.39
Total for E:	360,694,092.21



Alesco Preferred Fund XVI
Interest Coverage Test
As of : 6/17/2019
Next Payment: 6/24/2019



INTEREST COVERAGE TEST	RATIO	REQUIRED LEVEL	CALCULATION	RESULT
Class A Interest Coverage Test	210.12%	125.00%	A / B	Passed
Class B/C/D Interest Coverage Test	109.68%	102.50%	A / C	Passed

NUMERATOR

The sum of:

Interest Received	3,527,511.82
Interest Expected	0.00
Semi-Annual Interest due in current due period	0.00
Semi-Annual Interest held back from previous due period	0.00
Aggregate Interest Holdback Distribution Amount	0.00
Net Hedge Amount Receivable	0.00
Taxes, Reg, & Filing Fees	-300.00
Trustee, Admin, Paying Agent, and Note Registrar Fees & Expenses	-67,645.20
Base Collateral Management Fee	-114,641.73
Total for A:	3,344,924.89

DENOMINATOR

Net Hedge Amount Payable	0.00
Class A Notes	1,591,919.34
Total for B:	1,591,919.34
Class B Notes	170,953.62
Class C Notes	797,647.56
Class D Notes	489,069.81
Total for C:	3,049,590.33



Alesco Preferred Fund XVI
Concentration Limitation - Summary
As of : 6/17/2019
Next Payment: 6/24/2019



<i>Clause</i>	<i>Concentration Limitation</i>	<i>Current Amount Numerator</i>	<i>Current Amount Denominator</i>	<i>Current Percentage</i>	<i>Min</i>	<i>Max</i>	<i>Test Result</i>
(7)	Stated Maturity later than Stated Maturity of Notes	0.00	A 305,712,088.96	0.00%	A		N/A
(8)(A)	Fixed Rate Obligations (without Deemed Floating)	15,000,000.00	305,712,088.96	4.91%			N/A
(8)(B)	Floating Rate Obligations (without Deemed Fixed)	294,462,795.66	305,712,088.96	96.32%			N/A
(8)(C)	Deemed Fixed Rate	0.00	305,712,088.96	0.00%			N/A
(8)(D)	Deemed Floating Rate	9,800,000.00	305,712,088.96	3.21%			N/A
(9)	Trust Preferred Securities	299,262,795.66	305,712,088.96	97.89%			N/A
(10)	Subordinated Notes, Senior Securities and Surplus Notes	20,000,000.00	305,712,088.96	6.54%			N/A
(11)	Pays less frequently than Quarterly	0.00	305,712,088.96	0.00%			N/A



Alesco Preferred Fund XVI
Defaulted Securities Report
As of: 6/17/2019
Next Payment: 6/24/2019



<i>Issuer</i>	<i>CUSIP</i>	<i>Principal Balance</i>	<i>Event Date</i>	<i>Applicable Recovery Rate</i>	<i>Calculation Amount</i>
Dakota Capital Trust IV	23410JAA2	4,262,795.66	06/21/2013	10.00	426,279.57
FBOP Master Trust	30247VAB7	5,000,000.00	10/30/2009	10.00	500,000.00
		9,262,795.66	A		926,279.57



Alesco Preferred Fund XVI
Deferring Collateral Report
As of: 6/17/2019
Next Payment: 6/24/2019



<i>Issuer</i>	<i>CUSIP</i>	<i>Principal Balance</i>	<i>Event Date</i>	<i>Applicable Recovery</i>	<i>Adjusted Amount</i>
FCB Financial Statutory Trust II	9AMBD4JB5	4,000,000.00	06/15/2016	10.00	400,000.00
United Security Assurance Cap Trust I	U9113QAA2	1,700,000.00	05/13/2016	5.00	85,000.00
		5,700,000.00	A		485,000.00



Alesco Preferred Fund XVI

Weighted Average Rating

As of: 6/17/2019

Next Payment: 6/24/2019



Issuer	CUSIP	Principal Balance	Initial Moody's Rating	Rating Factor	Weighted Rating Factor
Total Weighted Factor		109,799,900,000.00			
Weighted Average Rating			355		
Maximum Weighted Average Rating			580		
Test Result			Passed		



Alesco Preferred Fund XVI
Weighted Average Coupon Test
As of: 6/17/2019
Next Payment: 6/24/2019



<i>Issuer</i>	<i>CUSIP</i>	<i>Coupon Type</i>	<i>Balance</i>	<i>Coupon %</i>	<i>Weighted Coupon</i>
1st Source Master Trust	33648EAA6	Fixed	15,000,000.00	7.218	108,262,500.00
			15,000,000.00		108,262,500.00
Weighted Avg Coupon			7.218	A	
Limit (Swap Differential adjusted)			6.853		
Result			Passed		



Alesco Preferred Fund XVI
Weighted Average Spread Test
As of: 6/17/2019
Next Payment: 6/24/2019



Issuer	CUSIP	Balance	Coupon %	Effective Spread	Weighted Factor
Weighted Average Spread (%)			1.627		
Adjusted Excess Coupon (%)			0.019		
Adjusted Weighted Avg Spread (%)			1.646	A	
Threshold (%)			1.835		
Test Result			Failed		



Alesco Preferred Fund XVI
Weighted Average Fitch Score
As of: 6/17/2019
Next Payment: 6/24/2019



Issuer	Facility	CUSIP	Principal Balance	Fitch Score	Weighted Fitch
Weighted Average Fitch Score			3.15	A	
Maximum Weighted Average Fitch Score			3.33		
Test Result			Passed		



Alesco Preferred Fund XVI
Ineligible Collateral Debt Securities
As of: 6/17/2019
Next Payment: 6/24/2019



<i>Issuer</i>	<i>Facility</i>	<i>Principal Balance</i>
CAC Capital Trust I	Floating	2,000,000.00
Commerce Bancorp Capital Trust III	Floating	10,000,000.00
Community Bancorp	Floating	1,500,000.00
Peoples Holding Capital Trust I	Floating	15,000,000.00
Security Pacific Capital Trust XI	Floating	5,000,000.00
		33,500,000.00

Footnote:

Each listed Security was a Defaulted Security at the time of its purchase and therefore fails to meet the Collateral Debt Security Criteria.

Assumptions

(refer to Items 1. and 2.)

1. The 3-month LIBOR rate, for the purpose of recalculating the Note Interest Rates for the Notes for such Interest Period is 2.60150%.
2. The Interest Proceeds are \$3,527,511.82 with respect to the current Distribution Date.
3. The Principal Proceeds are \$809.39 with respect to the current Distribution Date.
4. The Uninvested Proceeds are \$0.00 with respect to the current Distribution Date.
5. The taxes and filing and registration fees are \$300.00 with respect to the current Distribution Date.
6. The amount due representing accrued and unpaid fees and expenses of the Trustee pursuant to Section 11.1(a)(i)(2)(a) of the Indenture is \$17,212.66 with respect to the current Distribution Date.
7. The amount due representing accrued and unpaid fees and expenses of the First Tier Preferred Share Paying Agent and the Second Tier Preferred Share Paying Agent is \$1,250.00 with respect to the current Distribution Date.
8. The amount due representing accrued and unpaid fees and expenses of the Note Registrar and the Collateral Administrator is \$0.00 with respect to the current Distribution Date.
9. All other accrued and unpaid Administrative Expenses (excluding fees due and paid pursuant to Section 11.1(a)(i)(2)(a)) pursuant to Section 11.1(a)(i)(2)(b) of the Indenture are \$49,182.54 with respect to the current Distribution Date.
10. The amount disbursed from the Expense Account during the period since the prior Distribution Date are \$0.00.
11. The Balance in the Interest Reserve Account is \$0.00 with respect to the current Distribution Date.
12. The Balance of Eligible Investments and cash in the Expense Account as of the Determination Date relating to the current Distribution Date is \$100,149.53.

13. The total amount of Qualified Termination Payments and Non-Qualified Termination Payments is \$0.00 with respect to the current Distribution Date.
14. The Trustee, on behalf of the Issuer, indicated that the Hedge Agreements 07DL18734, 07DL19398, 07DL19820, 07DL23225, 07DL25725, 07DL29883, 07DL26384 and 07DL18169 have been terminated in accordance with their respective Hedge Agreement.
15. The Interest Payments received on CDS paying less frequently than quarterly are \$0.00 with respect to the current Distribution Date.
16. The Trustee, on behalf of the Issuer, indicated that the Base Collateral Management Fee, Subordinate Collateral Management Fee and Incentive Management Fee are to be recalculated using a fixed 90-day for each Due Period over a 360-day year day count convention.
17. The Trustee, on behalf of the Issuer, indicated that the column heading "Interest Payable" on the page of NVR attached as part of Exhibit 1 has the same meaning as "Interest Paid" with respect to the current Distribution Date.
18. The Trustee, on behalf of the Issuer, indicated that column heading "Interest Deferred " on the NVR has the same meaning as "Current Deferred Interest."
19. The Collateral Debt Securities that were transferred back with an exchange offer pursuant to Section 6.16 of the Indenture, that do not satisfy Collateral Debt Security Criteria and/or the Eligibility Criteria, if any, as provided by the Trustee, on the behalf of the Issuer, are shown in the "Ineligible Collateral Debt Securities" schedule of the NVR attached as a part of Exhibit 1.