

Fosse Master Trust Investors' Report - May 2010

Monthly Report incorporating:

**Fosse Trustee Limited
Fosse Master Issuer plc
Fosse Funding (No. 1) Limited**

Report Date:	31-May-10
Reporting Period:	01-May-10 to 31-May-10
Trust Calculation Date:	01-Jun-10

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Contacts:

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MAIN PARTIES TO THE STRUCTURE

Alliance & Leicester plc Seller Servicer Cash Manager, Issuer Cash Manager Basis Swap Provider Start-up loan provider Company Secretarial Services Provider	Fosse Master Issuer plc Issuer	Citibank, N.A. Agent Bank Principal Paying Agent	Law Debenture Trust Company of New York Note Trustee Issuer Security Trustee Funding 1 Security Trustee	SFM Corporate Services Limited UK share trustee	Mourant & Co. Trustees Limited Jersey share trustee
	Fosse Trustee Limited Mortgages Trustee	Registrar Transfer Agent US Paying Agent Common Depository Exchange Rate Agent	Issuer Swap Providers ABN AMRO UBS AG Credit Suisse International The Royal Bank of Scotland plc Alliance & Leicester plc Abbey National plc	Structured Finance Management Limited Corporate services provider (UK)	Mourant & Co. Limited Corporate services provider (Jersey)
Abbey National plc Account bank, for Mortgages Trustee, Funding 1 and Issuer	Fosse Funding (No. 1) Limited Funding 1				

COLLATERAL REPORT

Mortgage Loan Profile	
Original number of Mortgage Loans in Pool	42,395
Original current value of Mortgage Loans in Pool	£ 3,399,995,370
Current number of Mortgage Loans in Pool	83,874
Current value of Mortgage Loans in Pool	£ 6,636,140,400
Current number of Mortgage Loan product holdings in Pool (A Mortgage Loan may have more than one active loan product)	126,899
Weighted Average Seasoning (Months)	68
Weighted Average Remaining Term (Months)	204
Average Loan Size	£ 79,120
Weighted Average unindexed LTV at last valuation (by value)	57.21%

Mortgage Trust Assets	
Current value of Mortgage Loans in Pool at 31-May-10	£ 6,636,140,400
Last months Closing Trust Assets at 30-Apr-10	£ 6,707,457,149
Principal Ledger as calculated on 1-Jun-10	£ 91,877,614
Funding Share as calculated on 1-Jun-10	£ 5,078,413,186
Funding Share % as calculated on 1-Jun-10	76.52661%
Seller Share as calculated on 1-Jun-10	£ 1,557,727,214
Seller Share % as calculated on 1-Jun-10	23.47339%
Minimum Seller Share (Amount)	£ 456,595,321
Minimum Seller Share (% of Total)	6.88043%

Arrears Analysis of Non Repossessed Mortgage Loans	Number	Current balance £	Arrears £	By Number %	By current balance %
Less than 1 month in arrears	83,121	6,559,618,759	-	99.13%	98.89%
1<=3 months in arrears	442	41,892,707	323,627	0.53%	0.63%
>3<=6 months in arrears	141	14,643,888	309,123	0.17%	0.22%
>6<=9 months in arrears	55	6,081,031	223,924	0.07%	0.09%
>9<=12 months in arrears	41	4,692,995	189,267	0.05%	0.07%
More than 12 months in arrears	54	6,430,874	416,714	0.06%	0.10%
Total	83,854	6,633,360,254	1,462,655	100.00%	100.00%

Arrears are calculated in accordance with standard market practice in the UK. A mortgage is identified as being in arrears when, on any due date, the overdue amounts which were due on previous dates equal one or more full monthly payments and the total of arrears across all sub-accounts exceeds £150.

Properties in Possession	Number	Current balance £	Arrears £	Loss Amount £
Total Properties in Possession Since Inception	63	7,758,704		1,092,715
Repossessed (In Month)	6	664,262		
Sold (In Month)	2	272,527		
Current Number in Possession	20	2,780,146		
Total Properties Sold Since Inception	43	4,978,558		
Total Loss on Sale Brought Forward				1,024,768
Loss this Period				67,946
Total Loss on Sale Carried Forward				1,092,715
Recoveries				
Total Net Loss				1,092,715

Substitution, redemptions and repurchases	Number of accounts this period	Current balance this period £
Substitution & Top up	0	0
Redeemed this period*	547	47,310,673
Repurchases this period	0	0

*Redemptions this period include 173 accounts where minor balances totalling £ 30,431 remain to be collected after redemption. These balances have been repurchased by the Seller.

CPR Analysis *	1 Month CPR %	12 Month CPR (Annualised) %
Current month	1.27%	14.32%
Previous month	1.21%	14.49%

* The CPR calculation includes repurchases by the Seller from the Trust

Product Breakdown (By Balance)	No of product holdings	% by number	Current balance £	% by balance
Bank of England Base Rate Tracker Loans	46,820	36.90%	2,781,243,362	41.91%
Fixed Rate Loans	38,290	30.17%	2,414,735,818	36.39%
Discounted SVR Loans	9,517	7.50%	435,923,902	6.57%
Standard Variable Loans	32,272	25.43%	1,004,237,318	15.13%
Total	126,899	100.00%	6,636,140,400	100.00%

Standard Variable Rate	
Existing Borrowers SVR	4.99%
Effective Date Of Change	02-Mar-09
Previous Existing Borrowers SVR	5.09%
Effective Date of Change	02-Feb-09

Payment Type (By Balance)	No of product holdings	% by number	Current balance £	% by balance
Repayment	88,054	69.39%	3,985,737,467	60.06%
Interest only and Combined repayment & int-only	38,845	30.61%	2,650,402,933	39.94%
Total	126,899	100.00%	6,636,140,400	100.00%

Use Of Proceeds (By Balance)	No of product holdings	% by number	Current balance £	% by balance
House Purchase	50,903	40.11%	3,771,620,068	56.83%
Remortgage	75,994	59.89%	2,864,424,574	43.16%
Other	2	0.00%	95,758	0.00%
Total	126,899	100.00%	6,636,140,400	100.00%

Analysis of Mortgage loan size at reporting date £	Number of accounts	% by number	Current balance £	% by balance
>0 =<50,000	30,908	36.85%	864,020,516	13.02%
>50,000 =<100,000	29,939	35.70%	2,175,198,646	32.78%
>100,000 =<150,000	14,284	17.03%	1,733,329,255	26.12%
>150,000 =<200,000	5,109	6.09%	872,212,125	13.14%
>200,000 =<250,000	1,960	2.34%	431,760,945	6.51%
>250,000 =<300,000	790	0.94%	214,092,235	3.23%
>300,000 =<350,000	400	0.48%	128,906,398	1.94%
>350,000 =<400,000	188	0.22%	69,966,693	1.05%
>400,000 =<450,000	109	0.13%	45,698,722	0.69%
>450,000 =<500,000	75	0.09%	35,503,775	0.54%
>500,000 =<550,000	41	0.05%	21,197,669	0.32%
>550,000 =<600,000	33	0.04%	19,174,083	0.29%
>600,000 =<650,000	18	0.02%	11,184,699	0.17%
>650,000 =<700,000	11	0.01%	7,393,224	0.11%
>700,000 =<750,000	9	0.01%	6,501,416	0.10%
Total	83,874	100.00%	6,636,140,400	100.00%

Geographical Analysis By Region	Number of accounts	% by number	Current balance £	% by balance
East Anglia	3,223	3.84%	242,824,715	3.66%
East Midlands	7,405	8.83%	494,027,423	7.44%
Greater London	3,640	4.34%	504,716,742	7.61%
Northern England	3,522	4.20%	241,951,904	3.65%
North West	8,500	10.13%	614,279,976	9.26%
South East	16,628	19.82%	1,724,934,256	25.99%
South West	6,862	8.18%	540,126,033	8.14%
West Midlands	6,057	7.22%	459,550,822	6.92%
Yorkshire & Humberside	7,125	8.49%	483,553,410	7.29%
Scotland	9,034	10.77%	568,467,418	8.57%
Wales	4,277	5.10%	282,422,951	4.26%
Northern Ireland	7,601	9.06%	479,284,751	7.22%
Total	83,874	100.00%	6,636,140,400	100.00%

Loan to Value at Last Valuation	Number	%	Current balance	%
Using current capital balance and unindexed latest valuation	of accounts	by number	£	by balance
>0% =<25%	16,482	19.65%	450,087,537	6.78%
>25% =<50%	27,710	33.04%	1,879,580,037	28.32%
>50% =<75%	28,449	33.92%	2,930,280,987	44.16%
>75% =<80%	3,674	4.38%	436,645,691	6.58%
>80% =<85%	3,397	4.05%	425,292,587	6.41%
>85% =<90%	2,383	2.84%	305,682,388	4.61%
>90% =<95%	1,160	1.38%	136,460,394	2.06%
>95% =<100%	590	0.70%	67,685,706	1.02%
>100%	29	0.03%	4,425,073	0.07%
Total	83,874	100.00%	6,636,140,400	100.00%

Indexed Current Loan to Value	Number	%	Current balance	%
Using current capital balance and HPI indexed latest valuation	of accounts	by number	£	by balance
>0% =<25%	22,426	26.74%	686,697,407	10.35%
>25% =<50%	28,814	34.35%	2,078,369,921	31.32%
>50% =<75%	21,359	25.47%	2,391,107,698	36.03%
>75% =<80%	2,885	3.44%	373,958,676	5.64%
>80% =<85%	2,413	2.88%	313,476,663	4.72%
>85% =<90%	2,065	2.46%	279,748,146	4.22%
>90% =<95%	1,604	1.91%	208,176,717	3.14%
>95% =<100%	1,049	1.25%	137,642,448	2.07%
>100%	1,259	1.50%	166,962,725	2.52%
Total	83,874	100.00%	6,636,140,400	100.00%

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LOAN NOTE REPORT

Closing date 28/11/2006
Report date 31/05/2010

Series 2006-1 Notes

2006-1	ISIN	Ratings S&P/Moody's/Fitch	Currency	Original Balance	Repaid	Outstanding	Reference rate	Margin p.a.%	Current interest rate p.a.%	Next coupon date	Interest next coupon	Step up Date	Legal Maturity
A1	XS0274283984	AAA/Aaa/AAA	USD	937,500,000	(937,500,000)	0	1M USD LIBOR	0.03000%	-	-	-	Jul-2011	Oct-2031
A2	XS0274284792	AAA/Aaa/AAA	USD	1,250,000,000	(904,215,348)	345,784,652	3M USD LIBOR	0.06000%	0.36438%	19/07/2010	318,492	Jul-2011	Oct-2054
A3	XS0274289759	AAA/Aaa/AAA	EUR	937,500,000	0	937,500,000	3M EURIBOR	0.10000%	0.74400%	19/07/2010	1,763,125	Jul-2011	Oct-2054
A4	XS0274293785	AAA/Aaa/AAA	GBP	542,000,000	0	542,000,000	3M GBP LIBOR	0.11000%	0.76281%	19/07/2010	1,030,776	Jan-2013	Oct-2054
B1	XS0274285336	AA/Aa3/AA	USD	33,500,000	(33,500,000)	0	3M USD LIBOR	0.09000%	-	-	-	Jul-2011	Oct-2054
B2	XS0274285682	AA/Aa3/AA	USD	45,000,000	0	45,000,000	3M USD LIBOR	0.16000%	0.46438%	19/07/2010	52,823	Jul-2011	Oct-2054
B3	XS0274290252	AA/Aa3/AA	EUR	37,000,000	0	37,000,000	3M EURIBOR	0.17000%	0.81400%	19/07/2010	76,132	Jan-2013	Oct-2054
B4	XS0274294163	AA/Aa3/AA	GBP	16,750,000	0	16,750,000	3M GBP LIBOR	0.17000%	0.82281%	19/07/2010	34,361	Jan-2013	Oct-2054
M1	XS0274286730	A/A2/A	USD	26,000,000	(26,000,000)	0	3M USD LIBOR	0.17000%	-	-	-	Jul-2011	Oct-2054
M2	XS0274287621	A/A2/A	USD	34,500,000	0	34,500,000	3M USD LIBOR	0.25000%	0.55438%	19/07/2010	48,347	Jul-2011	Oct-2054
M3	XS0274291060	A/A2/A	EUR	27,500,000	0	27,500,000	3M EURIBOR	0.27000%	0.91400%	19/07/2010	63,536	Jan-2013	Oct-2054
M4	XS0274294759	A/A2/A	GBP	13,750,000	0	13,750,000	3M GBP LIBOR	0.27000%	0.92281%	19/07/2010	31,635	Jan-2013	Oct-2054
C2	XS0274288942	BBB/Baa2/BBB	USD	40,500,000	0	40,500,000	3M USD LIBOR	0.47000%	0.77438%	19/07/2010	79,277	Jul-2011	Oct-2054
C3	XS0274291656	BBB/Baa2/BBB	EUR	22,500,000	0	22,500,000	3M EURIBOR	0.45000%	1.09400%	19/07/2010	62,221	Jan-2013	Oct-2054
C4	XS0274294916	BBB/Baa2/BBB	GBP	6,250,000	0	6,250,000	3M GBP LIBOR	0.45000%	1.10281%	19/07/2010	17,184	Jan-2013	Oct-2054

Closing date 01/08/2007

Series 2007-1 Notes

2007-1	ISIN	Ratings S&P/Moody's/Fitch	Currency	Original Balance	Repaid	Outstanding	Reference rate	Margin p.a.%	Current interest rate p.a.%	Next coupon date	Interest next coupon	Step up Date	Legal Maturity
A1a	XS0312388035	AAA/Aaa/AAA	USD	540,000,000	(540,000,000)	0	1M USD LIBOR	0.05000%	-	-	-	Jul-2012	Nov-2031
A1b	XS0312977613	AAA/Aaa/AAA	EUR	550,000,000	(550,000,000)	0	3M EURIBOR	0.06000%	-	-	-	Jul-2012	Nov-2031
A2	XS0312388209	AAA/Aaa/AAA	USD	450,000,000	(221,590,465)	228,409,535	3M USD LIBOR	0.08000%	0.38438%	19/07/2010	221,929	Jul-2012	Oct-2054
A3	XS0312388548	AAA/Aaa/AAA	EUR	685,000,000	0	685,000,000	3M EURIBOR	0.12000%	0.76400%	19/07/2010	1,322,887	Jul-2012	Oct-2054
A4	XS0312388621	AAA/Aaa/AAA	GBP	775,000,000	0	775,000,000	3M GBP LIBOR	0.13000%	0.78281%	19/07/2010	1,512,539	Jul-2012	Oct-2054
A5	XS0312915340	AAA/Aaa/AAA	USD	500,000,000	0	500,000,000	3M USD LIBOR	0.10000%	0.40438%	19/07/2010	511,091	Jul-2012	Oct-2054
B1	XS0312389272	AA/Aa3/AA	USD	36,250,000	(36,250,000)	0	3M USD LIBOR	0.15000%	-	-	-	Apr-2010	Oct-2054
B3	XS0312389439	AA/Aa3/AA	EUR	70,000,000	(70,000,000)	0	3M EURIBOR	0.20000%	-	-	-	Apr-2010	Oct-2054
B4	XS0312389603	AA/Aa3/AA	GBP	12,000,000	(12,000,000)	0	3M GBP LIBOR	0.20000%	-	-	-	Apr-2010	Oct-2054
M1	XS0312389785	A/A2/A	USD	20,200,000	(20,200,000)	0	3M USD LIBOR	0.30000%	-	-	-	Apr-2010	Oct-2054
M3	XS0312390015	A/A2/A	EUR	28,500,000	(28,500,000)	0	3M EURIBOR	0.35000%	-	-	-	Apr-2010	Oct-2054
M4	XS0312390106	A/A2/A	GBP	30,000,000	(30,000,000)	0	3M GBP LIBOR	0.35000%	-	-	-	Apr-2010	Oct-2054
C2	XS0312390957	BBB/Baa2/BBB	USD	25,000,000	(25,000,000)	0	3M USD LIBOR	0.55000%	-	-	-	Apr-2010	Oct-2054
C3	XS0312391179	BBB/Baa2/BBB	EUR	14,000,000	(14,000,000)	0	3M EURIBOR	0.55000%	-	-	-	Apr-2010	Oct-2054
C4	XS0312391252	BBB/Baa2/BBB	GBP	18,000,000	(18,000,000)	0	3M GBP LIBOR	0.55000%	-	-	-	Apr-2010	Oct-2054

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Closing date 21/08/2008 Series 2008-1 Notes

2008-1	ISIN	Ratings S&P/Moody's/Fitch	Currency	Original Balance	Repaid	Outstanding	Reference rate	Margin p.a.%	Current interest rate p.a.%	Next coupon date	Interest next coupon	Step up Date	Legal Maturity
A1	XS0383826756	AAA/Aaa/AAA	USD	150,000,000	(150,000,000)	0	3M USD LIBOR	0.60000%	-	-	-	Jan-2010	Oct-2054
A2	XS0383827051	AAA/Aaa/AAA	EUR	400,000,000	(94,459,037)	305,540,963	3M EURIBOR	0.90000%	1.54400%	19/07/2010	1,192,492	Oct-2012	Oct-2054

Closing date 12/03/2010 Series 2010-1 Notes

2010-1	ISIN	Ratings S&P/Moody's/Fitch	Currency	Original Balance	Repaid	Outstanding	Reference rate	Margin p.a.%	Current interest rate p.a.%	Next coupon date	Interest next coupon	Step up Date	Legal Maturity
A1	XS0493851298	AAA/Aaa/AAA	GBP	205,000,000	0	205,000,000	3M GBP LIBOR	1.20000%	1.93285%	19/07/2010	1,400,390	Jan-2015	Oct-2054
A2	XS0493852858	AAA/Aaa/AAA	EUR	775,000,000	0	775,000,000	3M EURIBOR	1.20000%	1.97500%	19/07/2010	5,484,740	Jan-2015	Oct-2054
A3	XS0493854631	AAA/Aaa/AAA	GBP	525,000,000	0	525,000,000	GBP mid-swaps		4.63500%	19/07/2010	8,604,225	Jan-2017	Oct-2054
Z	XS0493858202	N/A	GBP	389,000,000	0	389,000,000	3M GBP LIBOR	0.90000%	1.63285%	19/07/2010	2,244,878	Jan-2017	Oct-2054

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Combined Credit Enhancement	Total £	% of Total	Current note subordination	Subordination +Reserve Fund	% Required
Class A Notes	4,613,221,457.97	89.40%	10.60%	12.19%	9.25%
Class B Notes	65,161,725.15	1.26%	9.34%	10.92%	5.95%
Class M Notes	50,282,826.98	0.97%	8.36%	9.95%	3.40%
Class C Notes	42,557,607.10	0.82%	7.54%	9.13%	1.70%
Class Z Notes	389,000,000.00	7.54%	0.00%	0.00%	0.00%
	5,160,223,617.21	100.00%			
Funding Reserve Fund Requirement	£81,888,000	1.59%			

Interest shortfall in period	£0
Cumulative interest shortfall	£0
Principal shortfall in period	£0
Cumulative principal shortfall	£0
Cumulative net loss	£0
Excess principal paid in current period	£0

Funding Reserve Fund	
Balance Brought Forward	£81,888,000
Drawings	£0
Top Up	£0
Balance Carried Forward	£81,888,000

Funding Principal Ledger-AAA	£91,877,614
Funding Principal Ledger-AA	£0
Funding Principal Ledger-A	£0
Funding Principal Ledger-BBB	£0
Total Funding Principal Ledger	£91,877,614

Excess Spread	
Excess Spread This Month Annualised	1.04%
Excess Spread Rolling 12 Month Average	0.98%

*Excess spread is calculated at each quarterly interest payment date

TRIGGER EVENTS	
Asset Amount debited to AAA principal deficiency sub ledger (Funding programme notes outstanding)	None
Non Asset Insolvency event occurs in relation to Seller	None
Sellers role as administrator terminated & new administrator is not appointed within 60 days	None
The then current Seller Share is less than the adjusted Minimum Seller Share for 2 consecutive Trust Calculation Dates	None
The aggregate outstanding principal balance of loans in the Trust is less than the required loan balance amount specified in the most recent final terms	None
An arrears trigger event will occur if: The outstanding principal balance of the loans in arrears for more than 3 times the monthly payment then due divided by the outstanding principal balance of all of the loans in the mortgages trust (expressed as a percentage) exceeds 2 per cent.	None
Full details of all trigger events can be found within the Fosse Master Issuer plc offering circular	

Notes

1 Current number of mortgages

This is the sum of all product holdings secured by a borrower(s) on a single property.

2 Current value of mortgages

Includes all amounts of principal, interest and fees as yet unpaid by the borrower.

3 Funder Share

The percentage funder share is calculated net of accrued interest.

4 Seasoning

This is the age of the loan at the report date in months based on the Main Mortgage Completion Date. Main Mortgage Completion Date is the date the borrower first took out a loan on the secured property. The initial loan may have been repaid and replaced by subsequent lending under the same mortgage agreement and updated terms and conditions.

5 Remaining term

This is the remaining term of the loan at the report date in months .

6 Product breakdown

Bank of England Base Rate Tracker Loans includes loans issued at a discount or premium to base rate. All loans in the Discount category are linked to SVR.

7 Payment Type

Most loans that are not fully repayment mortgages comprise an interest only portion, on which there are no scheduled principal repayments and a repayment portion for which there is a scheduled amortisation.

8 Loan to Value (LTV) at Last Valuation

Further advances may be made on existing loans based on the indexed LTV without carrying out a formal valuation. This occasionally gives rise to the unindexed LTV recording an unrealistically high LTV. Indexed and unindexed LTVs include all further advances on a loan - but exclude any flexible drawdown reservoir.