



LA TROBE FINANCIAL
LET'S TALK ABOUT CREDIT

February 2024



Michael Watson

Michael joined La Trobe Financial's Melbourne office in May 2013 and currently holds the role of Director, Head of Distribution.

With twenty years experience, Michael's career has included leading teams across the diverse disciplines of credit, operations and distribution. At La Trobe Financial, Michael's roles have focussed on the strategic growth of the La Trobe Australian Credit Fund across each of its distribution channels. Michael presents to local and international groups on a range of topics and is a regular contributor to trade publications.

Michael has completed an MBA, a Bachelor of Business (Economics & Marketing), a Diploma of Financial Planning and a Certificate IV in Mortgage Broking.

Agenda

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Introducing La Trobe Financial

Introducing La Trobe Financial

\$10 billion
in AUM

96,000+
investors[^]

3,500+
advisers

34 Years
active

Expanded product
offering

2024
Best Credit Fund, Mortgages in Australia –
Money magazine - 15x running^{**}

The La Trobe Australian Credit Fund is Australia's flagship property credit investment offering. For over 30 years, La Trobe Financial has delivered impeccable performance for investors through this strategy, which is why 96,000+ investors[^] and 3,200+ financial advisers make strategic allocations to our property credit products.

Property Credit Products

Private Credit[†]

Classic Notice	90 Day Notice	6 Month Notice	12 Month Term	2 Year	4 Year	Select Investment	La Trobe US Private Credit
5.15% [*]	5.45% [*]	5.70% [*]	6.65% [*]	6.75% [*]	8.20% [*]	From 7.50% [*]	9.00% [*]
current variable rate after fees, reviewed monthly	current variable rate after fees, reviewed monthly	current variable rate after fees, reviewed monthly	current variable rate after fees, reviewed monthly	current variable rate after fees, reviewed monthly	current variable rate after fees, reviewed monthly	Peer-to-Peer	Fixed Interest

^{*}Rate current 1 February 2024.

^{**}To view our ratings and awards please visit our Awards and Ratings page on our website.

[^]Total investors is calculated by adding all individual & joint investors (which includes some investors with a current zero balance in their account) to reasonable estimates of investors investing via platform, trusts or SMSFs.

[†]The offer to apply for Class A Units in the La Trobe US Private Credit Trust is open to wholesale investors only. Investors applying to invest less than \$500,000 will need to produce an accountant's certificate to support their wholesale status. For more information, please refer to the Application Form (Annexure 2 to the Information Memorandum).

Introducing La Trobe Global Asset Management

Pairing the strength of La Trobe Financial



Trusted brand /
reputation for quality



Deep AM
expertise



Retirement-income
specialists



History of
performance



Market leading
strategies



Best in class
distribution



Global reach

With best in class asset managers to deliver the best of the world's investment offerings



Broadening range of
investment solutions



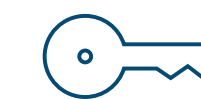
World's best
investment offerings



Global partners of the
highest quality



Products & Managers
hand selected by
La Trobe Financial



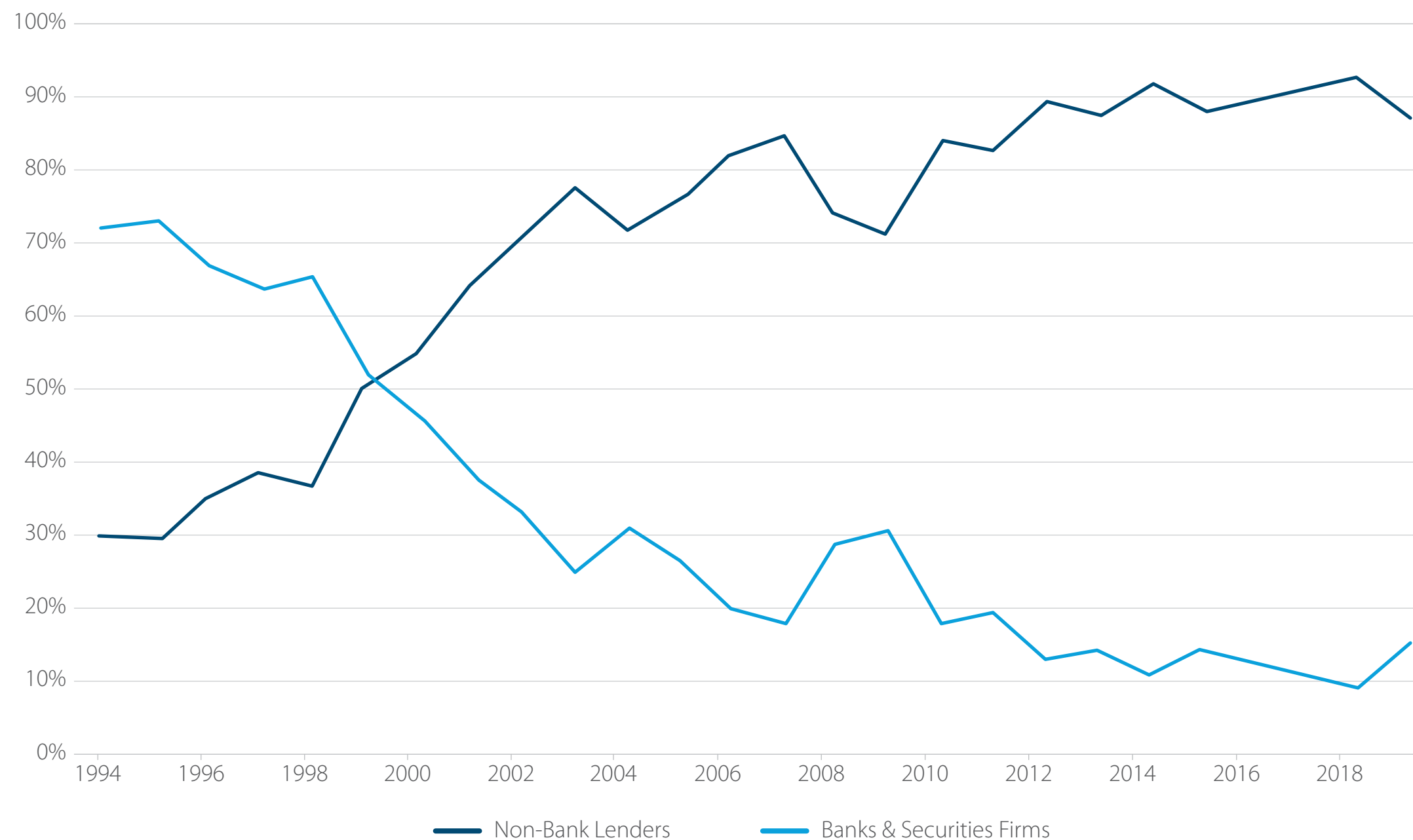
Unique & hard to access
investment products

Everyone's Talking About Credit

Global Supply Of Assets Beyond Critical Mass

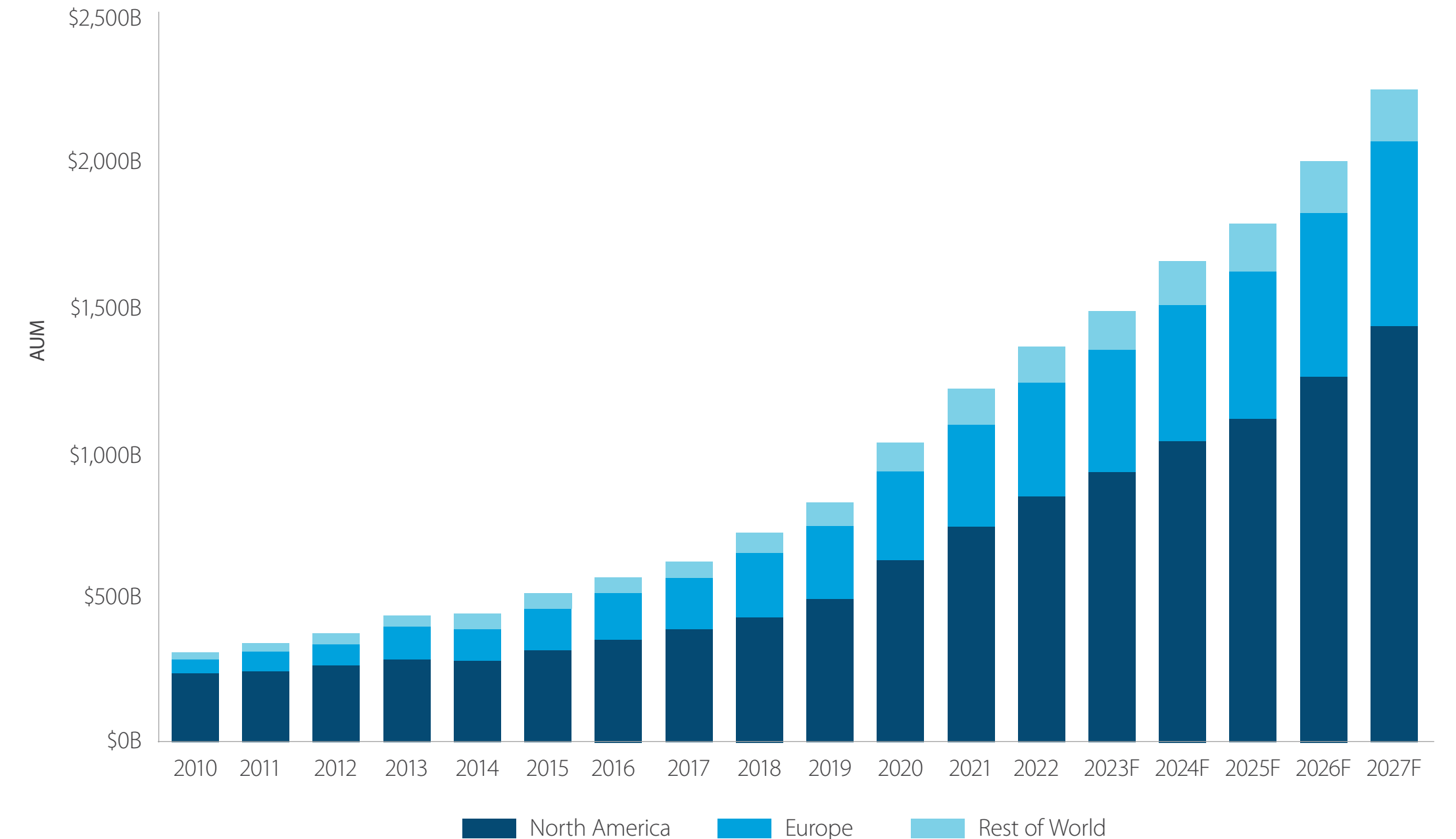
Direct Lending Market Share

Historically, direct loans were provided by banks and occasionally finance companies. Regulatory reform and industry consolidation have pushed banks from this market. Bank absence contributes to capital scarcity and enhances investor opportunity.



Direct Lending Market Growth

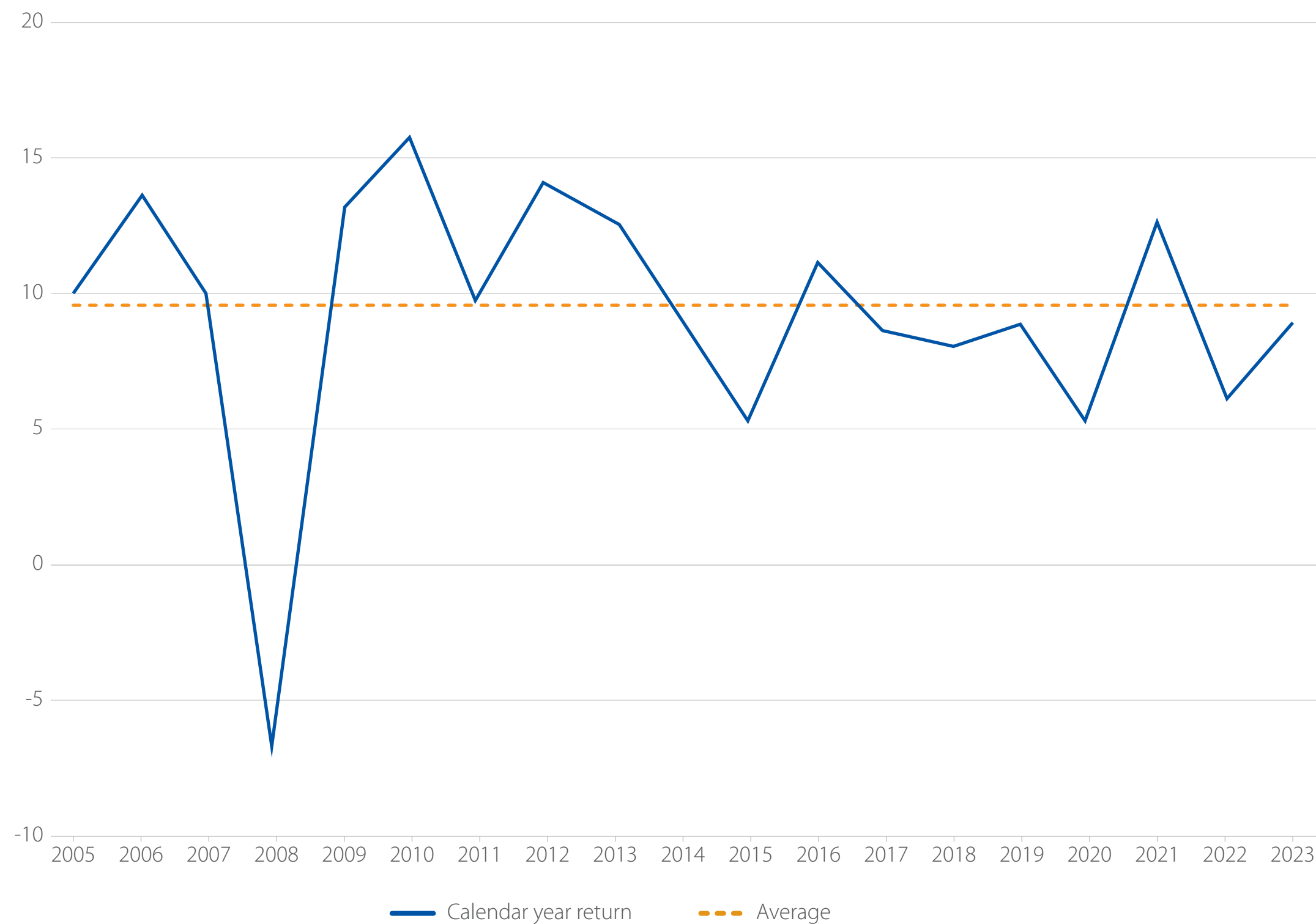
Driven by strong investor demand and solid performance, private debt is expected to grow through 2027.



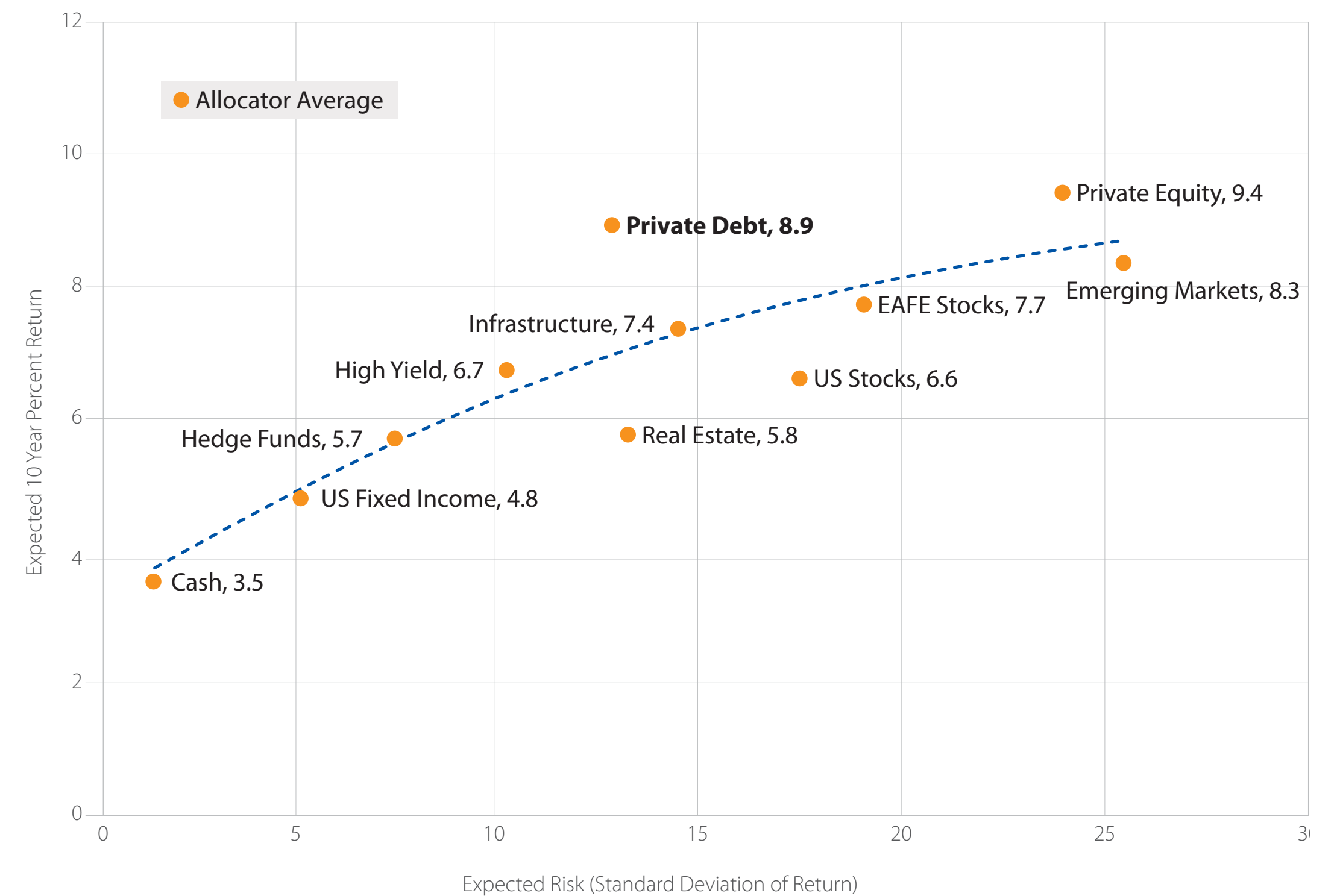
Source: Morgan Stanley

US Private Credit – Performance Supporting Demand

Calendar Year Return – Cliffwater US Direct Lending Index



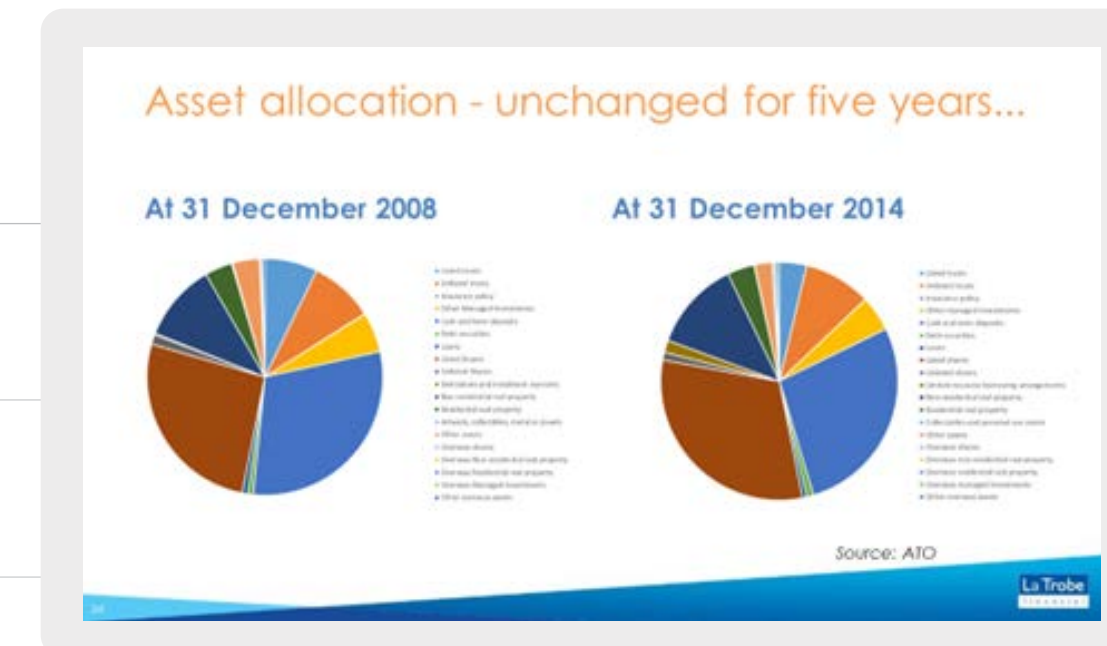
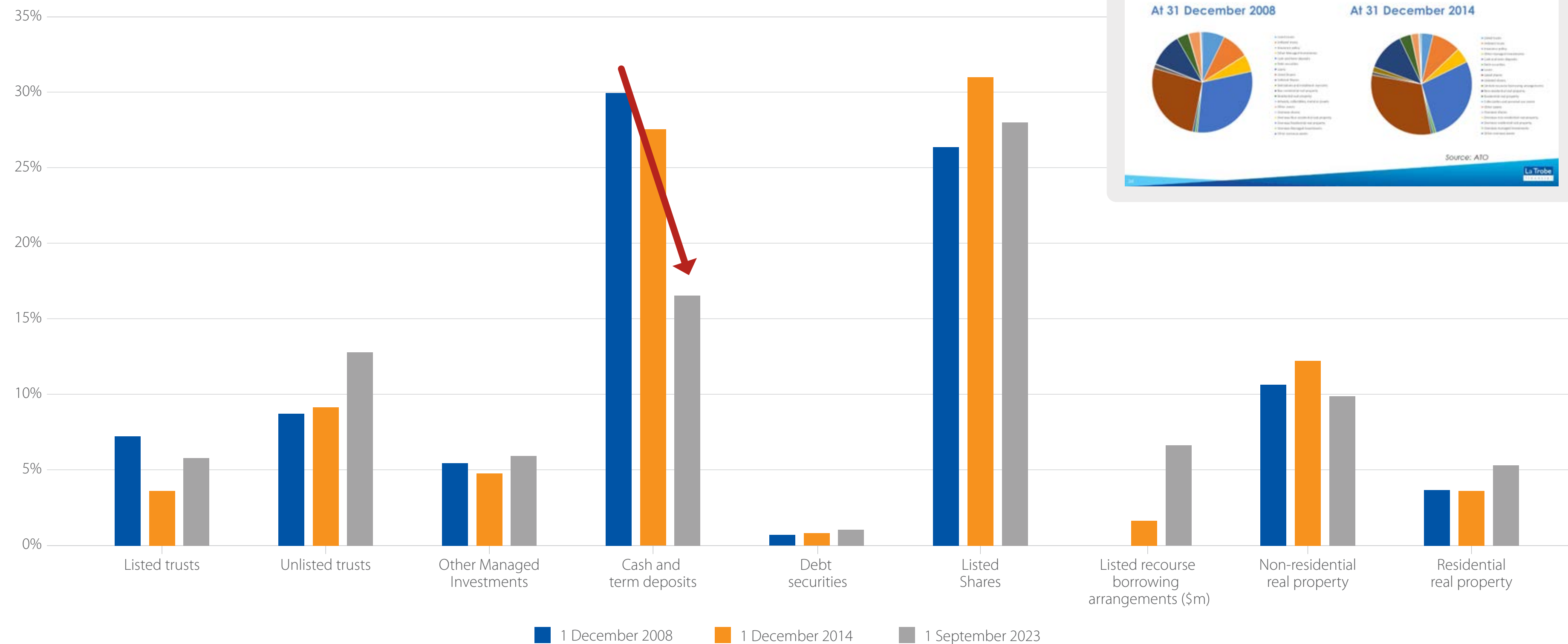
Consensus 10 Year Expected Return and Risk for Major Asset Classes



Source: Cliffwater

Investor Demand is shifting

Australian SMSF Allocations – Major asset class movements



Source: Australian Bureau of Statistics, annotation by La Trobe Financial

Flows Into Credit Are Happening

Top 20 Funds in Australia by Net Growth

(12 Months ended 30 September 2023)

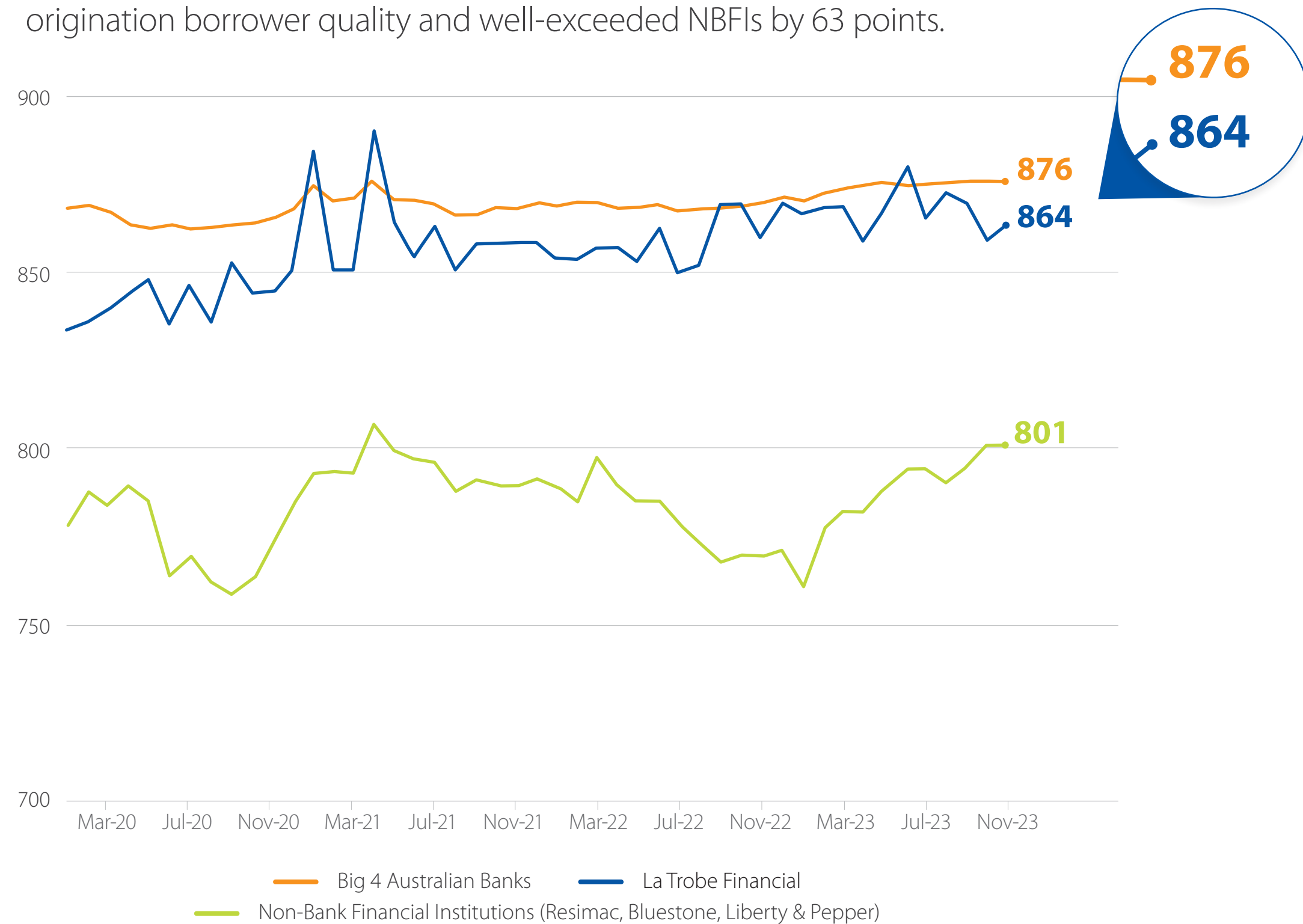
	Primary Asset class	12M Net Flow (\$m)
BetaShares Australian High Interest Cash ETF	Cash	1065.9
La Trobe Australian Credit Fund - 12 Month Term Account	Fixed income / credit	935.5
Macquarie True Index Australian Fixed Interest Fund	Fixed income / credit	935.5
Macquarie Enhanced Australian Fixed Interest Fund	Fixed income / credit	931.9
iShares Global Bond Index Fund	Fixed income / credit	895.3
iShares Core S&P/ASX 200 ETF	Australian Equities	814.1
GQG Partners Global Equity Fund	Global Equities	723.1
PIMCO Global Bond Fund	Fixed income / credit	701.6
Talaria Global Equity Fund	Global Equities	696.9
VanEck Australian Subordinated Debt ETF	Fixed income / credit	671.9
BetaShares Australia 200 ETF	Australian Equities	656.9
Western Asset Australian Bond Fund	Fixed income / credit	635.5
Vanguard MSCI Index International Shares ETF	Global Equities	606.8
Global X U.S. Treasury Bond ETF (Currency Hedged)	Fixed income / credit	603.7
Vanguard Australian Shares Index ETF	Australian Equities	575.8
Dexus Wholesale Property Fund	Property	540.7
iShares S&P 500 (AUD Hedged) ETF	Global Equities	497.4
EQT Tax Aware Diversified Fund	Australian Equities	492.8
BetaShares Australian Bank Senior Floating Rate Bond ETF	Fixed income / credit	492.7
ClearBridge RARE Infrastructure Income Fund - Hedged	Infrastructure	484.0

Source: Rainmaker

Supply Of Local Assets Well Positioned To Grow

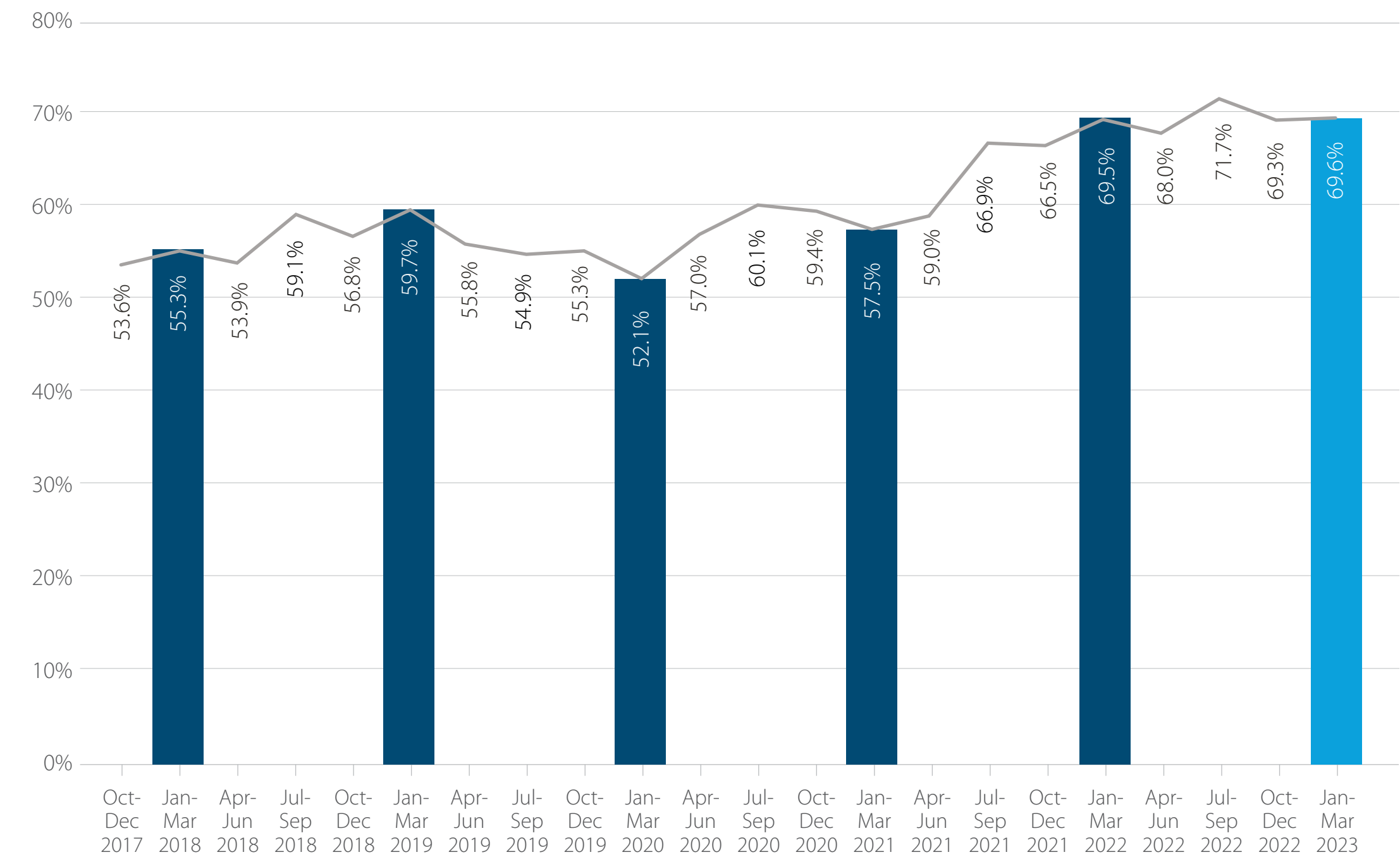
Borrower Credit Score by Lender

This graph shows that our average credit quality remains in line with the Big 4 banks origination borrower quality and well-exceeded NBFIs by 63 points.



Mortgage Broker Market – Increasing Market Share

Quarterly survey of brokers: Market share of new residential home loans settled by mortgage brokers as % of ABS Housing Finance Commitments/Lending to Households.



Note: The Quarterly Survey draws on data from 13 aggregators, whilst the IIS draws on data from 12 aggregators.

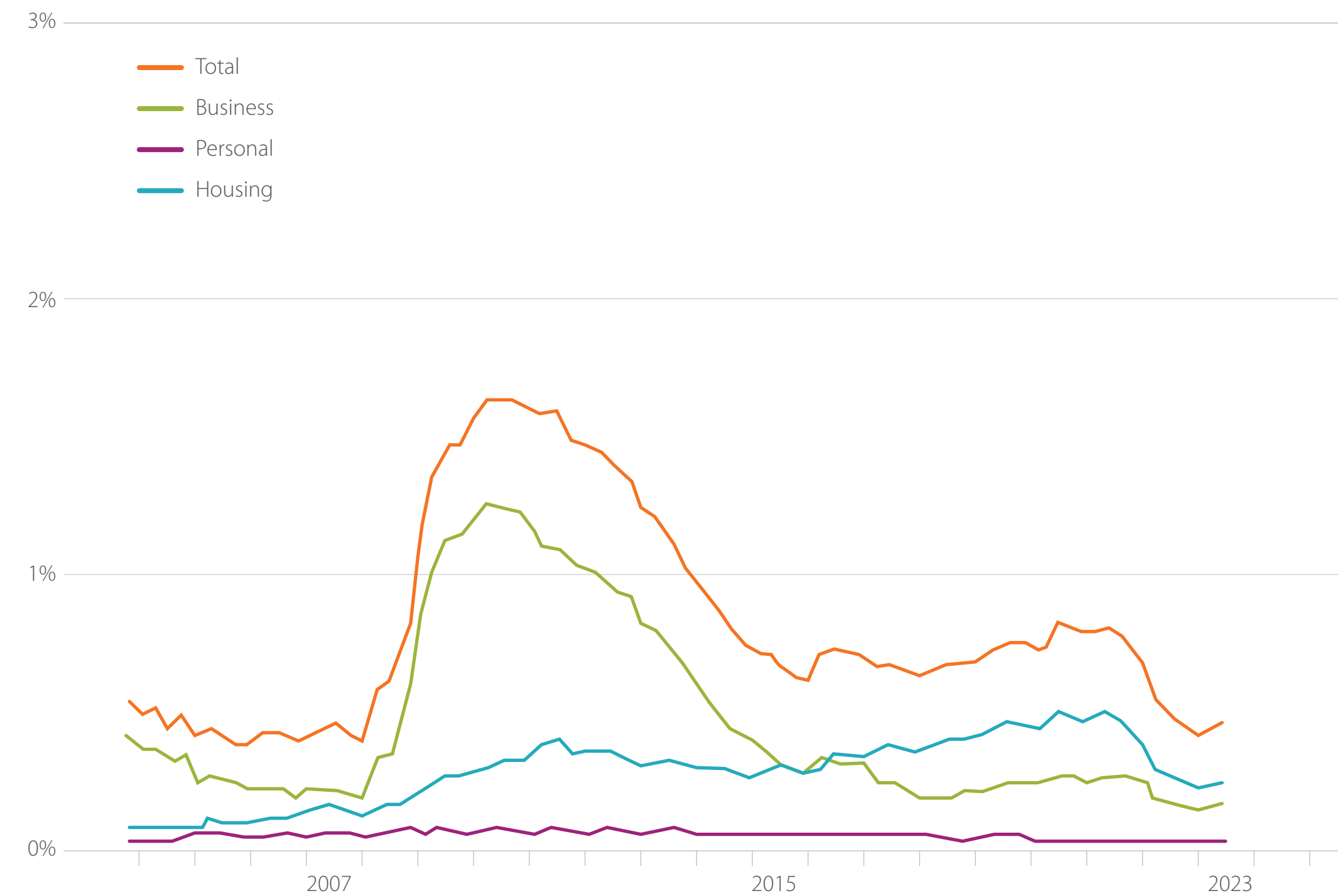
Source: Equifax month end report on loan and borrower credit quality to Big 4 Banks and Non-Bank Financial Institutions (Resimac, Bluestone, Liberty & Pepper)

Source: Mortgage Financial Association of Australia

Australian Asset Fundamentals Remain Solid

Bank's Non-performing Assets – Share of All Assets*

Domestic books

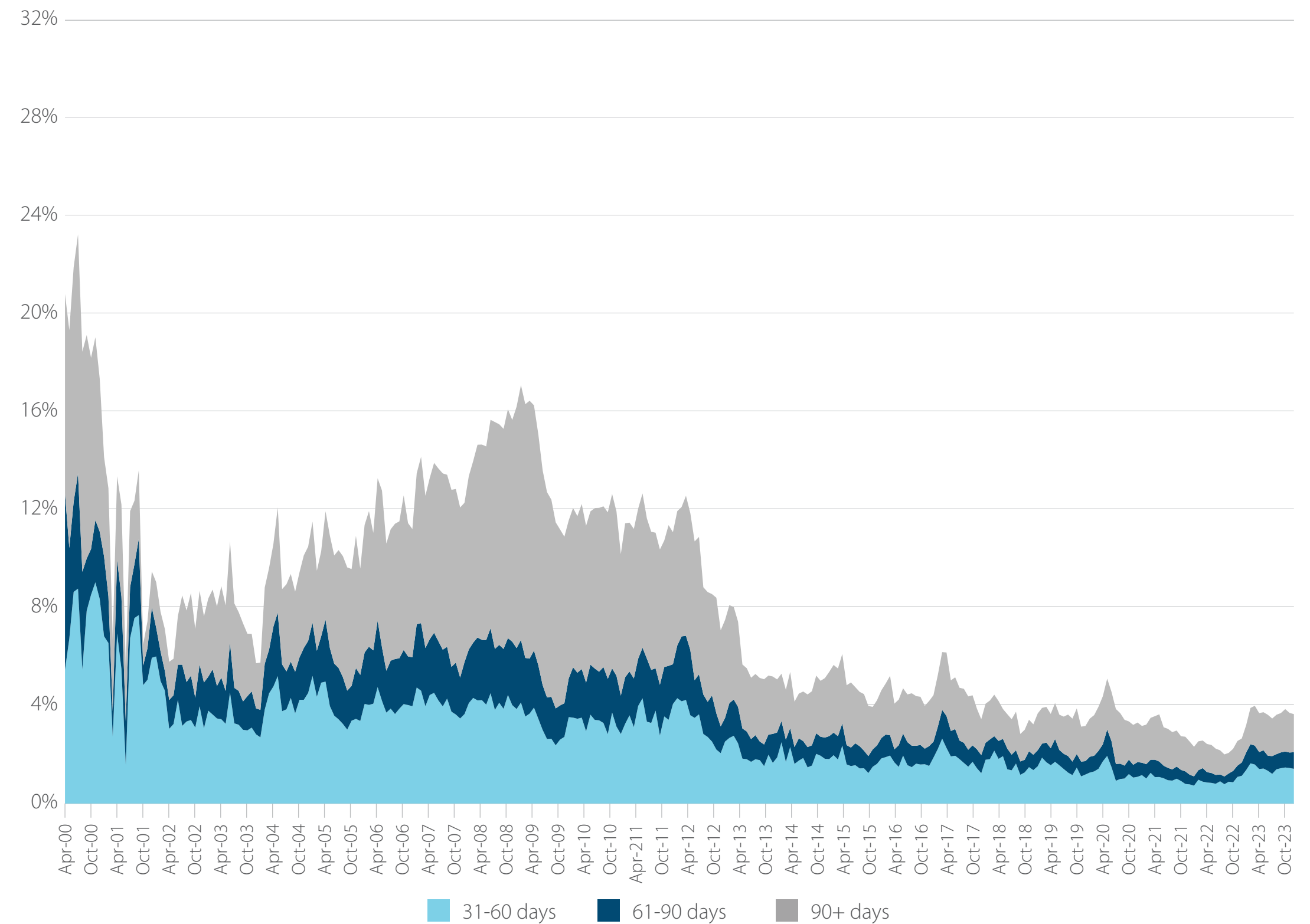


* Includes lending to financial businesses, bills, short-term and long-term debt securities and other non-household loans.

Source: APRA; Reserve Bank of Australia

Arrears Statistics – Non-conforming

Australia non-conforming S&P Global Ratings Mortgage Performance Index (SPIN)

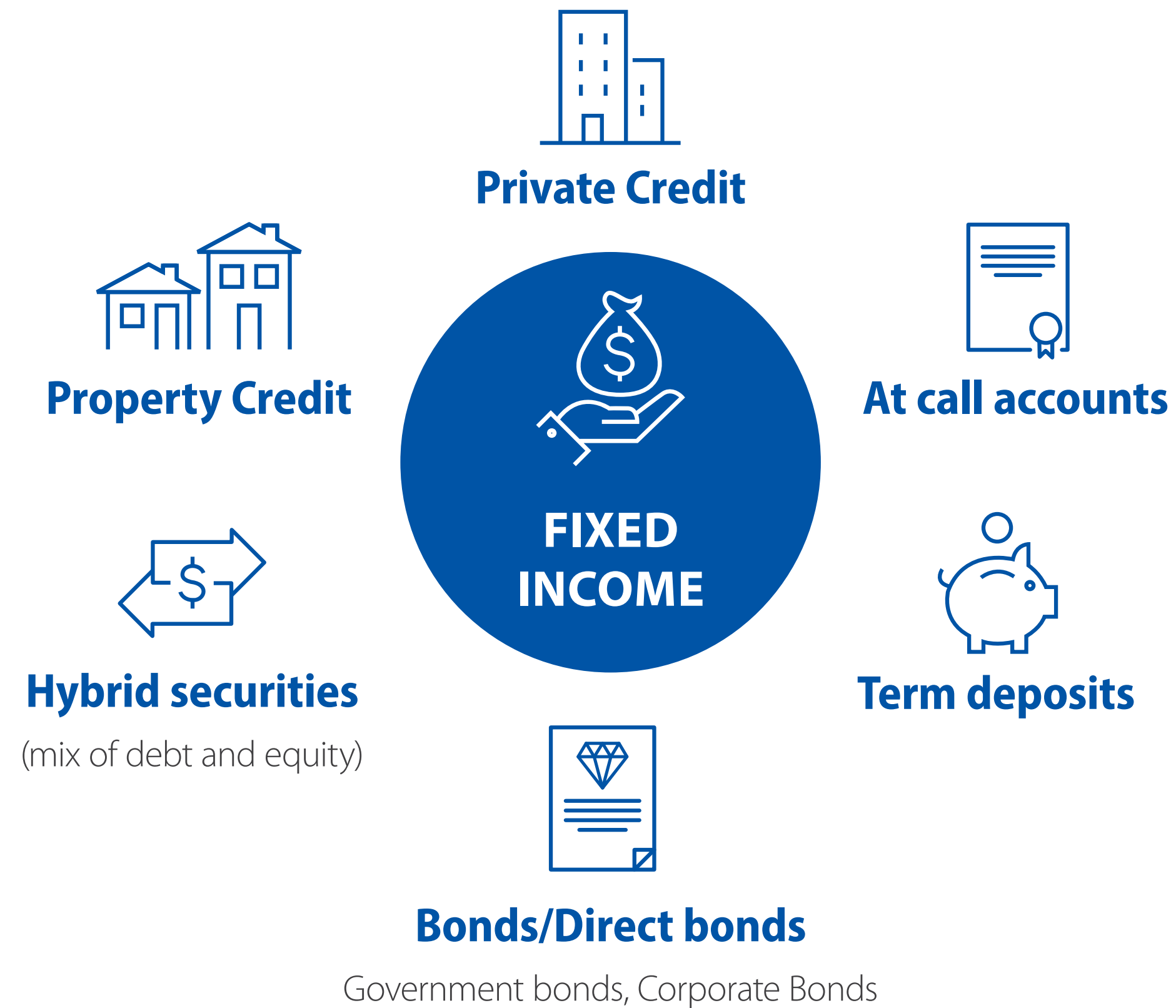


Source: S&P Global Ratings

Private Credit & Property Credit In Portfolios

Private Credit & Property Credit in Portfolios

Borrower Credit Score by Lender



Managing Key Investment Risks

Capital Risk
Income Risk
Volatility Risk
Inflation Risk
Sequencing Risk

La Trobe Financial – An Expanding Product Range

La Trobe US Private Credit

Product Details

📁 Product	Directly originated senior secured private credit to US middle-market companies, backed by high-quality private equity firms
🏠 Asset Class / Segment	Fixed Interest
🕒 Investment Period	Perpetual-life, open ended Unit Trust. Units not listed for trade
⊕ Applications	Monthly at Net Asset Value (NAV) per Unit
📅 NAV Frequency	Monthly
📅 Distributions	Monthly
🎯 Target Yield	Annualised distribution yield of at least 9% p.a. net of fees & expenses & before adjusting for FX rate fluctuations*
📄 Liquidity	Quarterly redemptions, generally limited to up to 5% of Class A units
% Management Fee	0.75%
📊 Leverage	Nil at inception
🏪 Access	Wholesale – Direct or through Financial Advisers (platforms coming soon)
\$ Currency	AUD denominated fund with capital exposures hedged on a best endeavours basis to reduce impact of exchange rate fluctuations
💰 Minimum Investment	\$10,000 initial \$5,000 subsequent

Special Offer

Morgan Stanley's fee is waiving all fees* for the period 1 December to 31 March 2024.

* Morgan Stanley charges a fee of c.1% against the assets of the 'fund-of-one' which reduces the income of the LGAM Trust

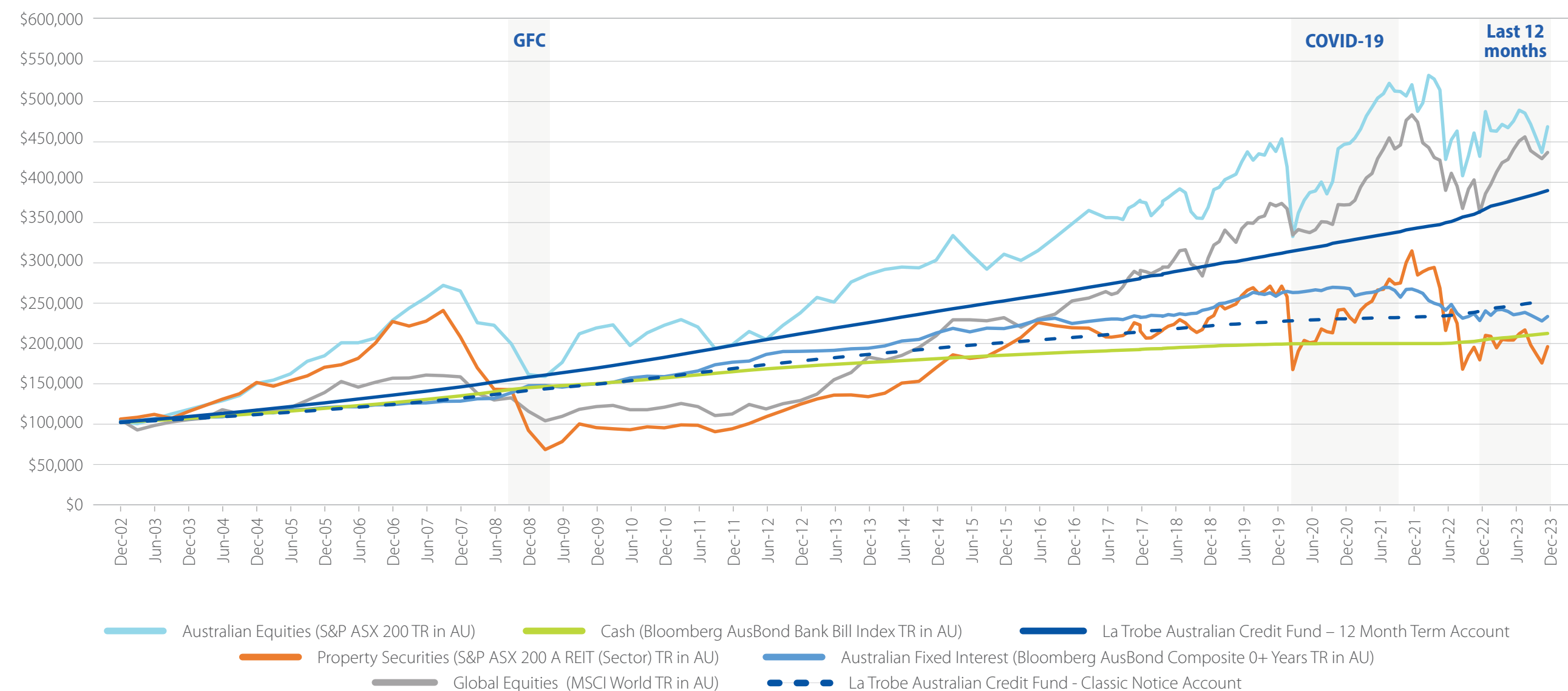
Foundational Asset Class Continuing To Outperform

Flagship 12 Month Term Account: commenced October 2002

12 Month Term Account Accumulation Performance Comparison since inception

A quality and time-tested strategy delivering:

1. 100% capital return across all portfolio accounts & all time periods – peace of mind
2. Premium performance profile; outperforming benchmarks – premium income
3. Flawless liquidity



The 12 Month Term Account has been judged by *Money* magazine as Australia's Best Credit Fund – Mortgages for the past 15 consecutive years.

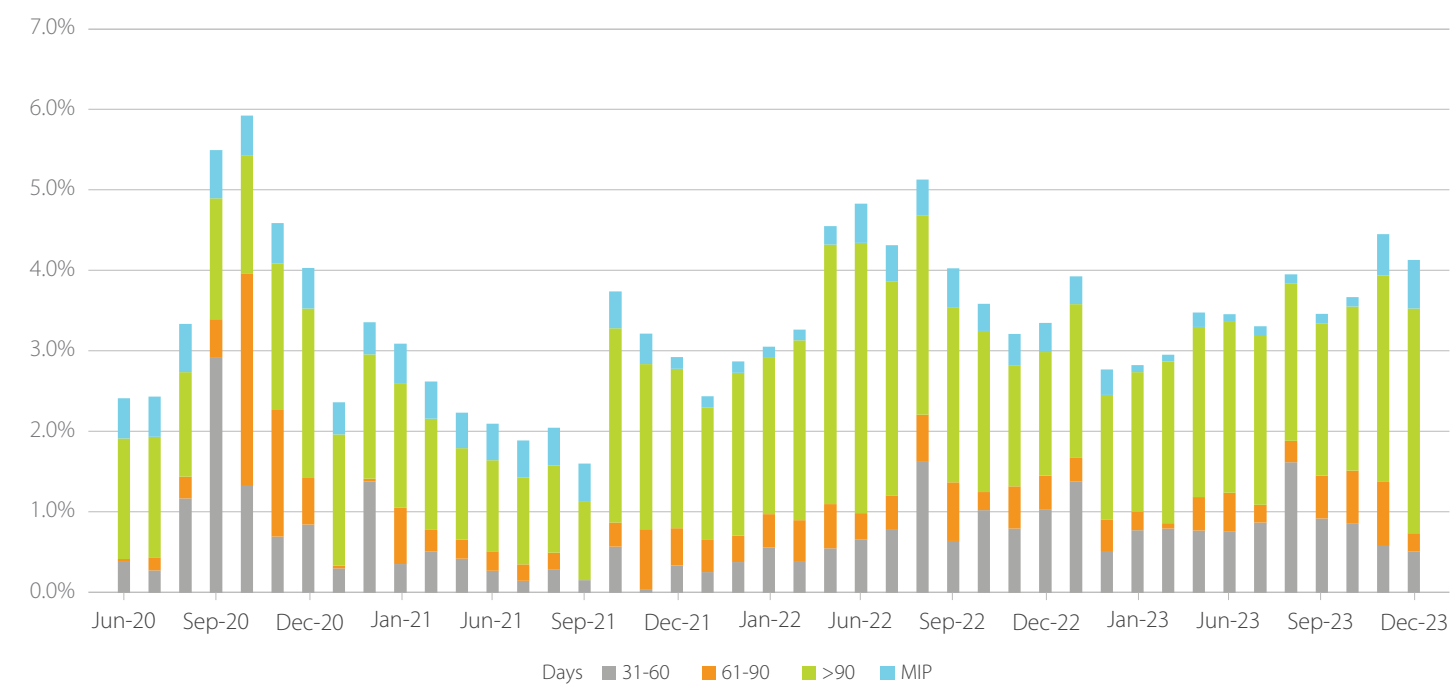
	Returns			Benchmark outperformance		
	1 yr	3 yr	5 yr	1 yr	3 yr	5 yr
Classic Notice	4.78%	2.58%	2.38%	0.30%	0.29%	0.51%
90 Day Notice	5.10%	3.30%	n/a	0.10%	0.50%	n/a
6 Month Notice	5.37%	n/a	n/a	-0.16%	n/a	n/a
12 Month Term	6.22%	5.04%	5.02%	0.80%	1.81%	2.11%
2 Year	6.32%	n/a	n/a	0.74%	n/a	n/a
4 Year	7.87%	6.41%	6.44%	0.87%	1.63%	1.97%

Past performance is not a reliable indicator of future performance.
Data as at 31 December 2023.

Assets Performing Against The Interest Rate Cycle

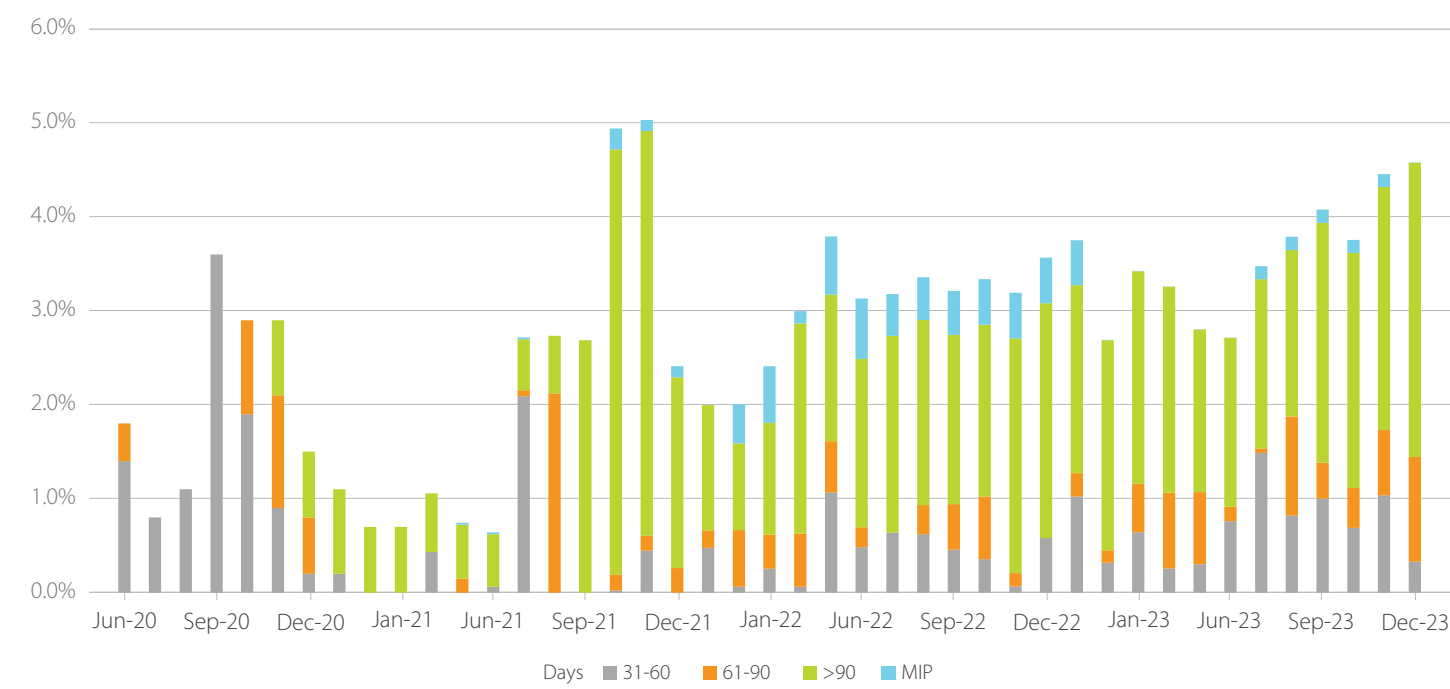
Classic Notice Account Arrears History

(% of AUM)



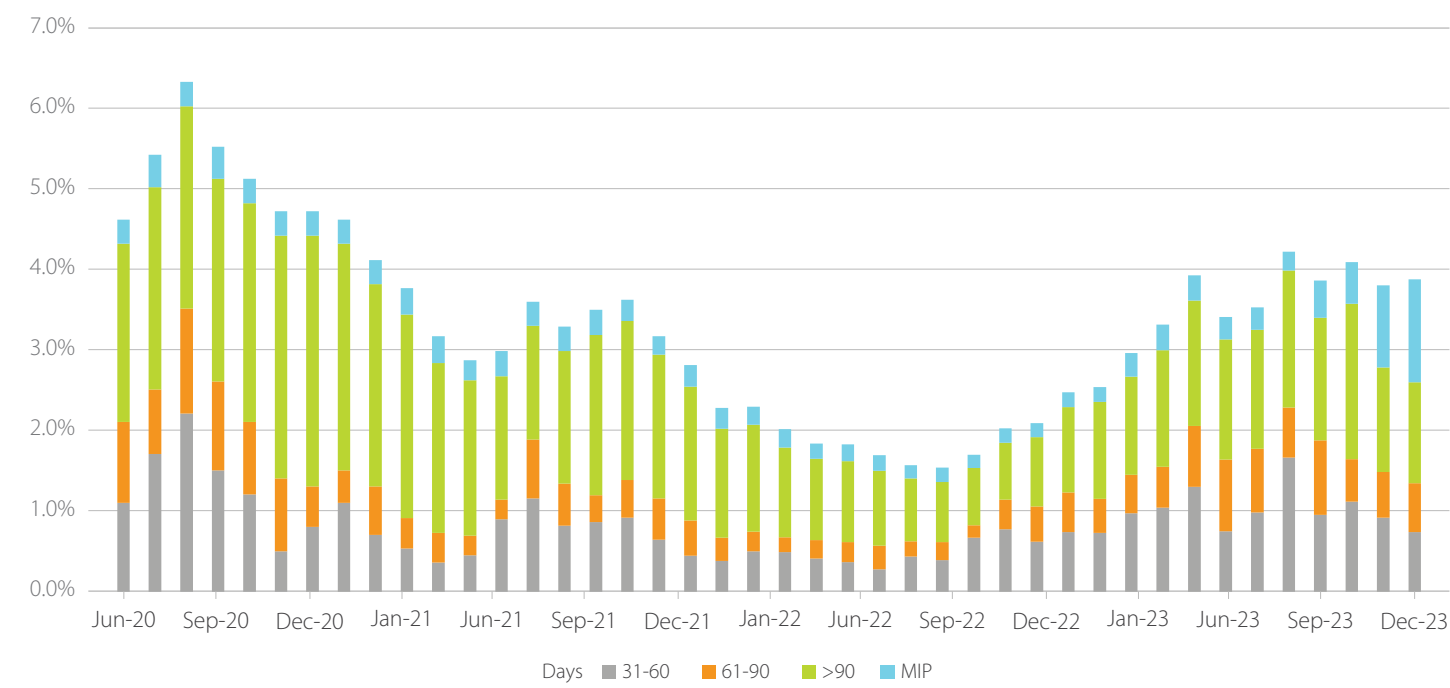
90 Day Notice Account Arrears History

(% of AUM)



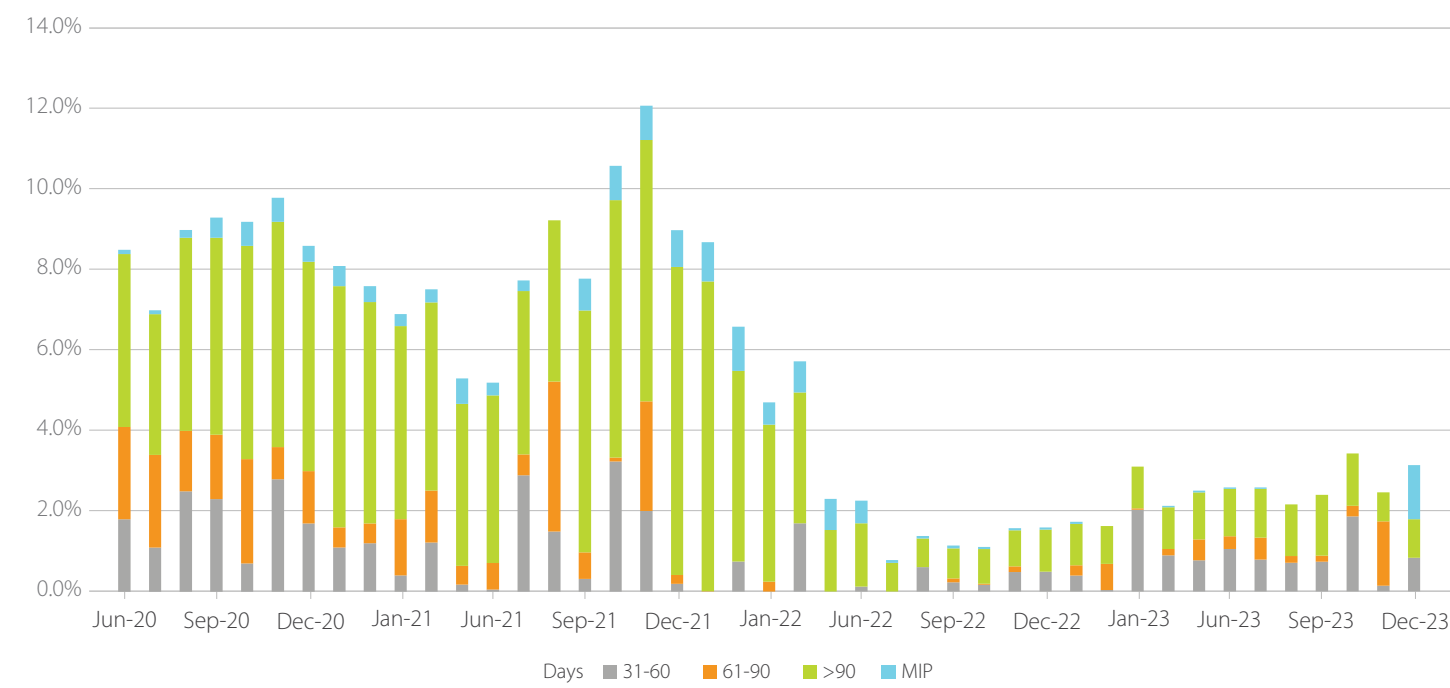
12 Month Term Account Arrears History

(% of AUM)



Select Investment Account Arrears History

(% of AUM)



Annualised shortfall (% of AUM)

(as at 31 December 2023)

	Classic	90 Day	6 Month	12 Month	2 Year	4 Year	Select
1 Year	0.07%	0.00%	0.00%	0.00%	0.00%	n/a	0.13%
3 Years	0.07%	0.00%	n/a	0.03%	n/a	n/a	0.66%
5 Years	0.06%	n/a	n/a	0.02%	n/a	n/a	0.40%
7 Years	0.08%	n/a	n/a	0.07%	n/a	n/a	0.35%
Last 10 Years	0.14%	n/a	n/a	0.08%	n/a	n/a	0.33%

Past performance is not a reliable indicator of future performance.

Your Asset Management Contacts



Chris Paton
Chief Investment Officer



Michael Watson
Head of Distribution



Lilian Chin
Director of Client Partnerships



Gary Bell
Chief Liquidity Officer



Amy Hallihan
Head of Fund Operations



Cheree Pedley
Head of Investor Admin



Sandy Singh
Head of Fund Portfolio Management



Robert Rando
Head of Private Wealth Desk

Financial Adviser Contact



Trent Faehndrich
State Manager NSW
Client Partnerships
0409 305 847
NSW



David La Greca
Senior Manager
Client Partnerships
0423 531 116
VIC



Andrew Evans
Senior Manager
Client Partnerships
0410 220 185
QLD



Victor Chen
Senior Manager
Client Partnerships
02 8046 1517
NSW



Alan Del Borrello
Senior Manager
Client Partnerships
0407 526 238
WA



Arthur Tsimbouris
Senior Manager
Client Partnerships
0402 619 594
VIC



Jo Ni
Senior Manager
Client Partnerships
0413 012 829
VIC



Derek Luu
Senior Manager
Client Partnerships
0435 936 463
NSW

Investor Relationship Managers



Jason Andor
Senior Manager
National Sales Desk



Alan Vong
Senior Manager
– Sales Desk



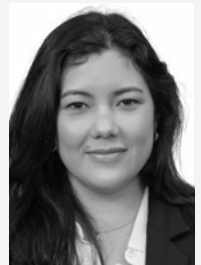
Senio Vitaliano
Assistant Manager
– Sales Desk



Jordan Clarisse
Assistant Manager



Nigel Hodgson
Senior Relationship Manager



Alicia Carlisle
Senior Relationship Manager



Amanda Stavrou
Senior Relationship Manager



Douglas Muddle
Relationship Manager



James Best
Relationship Manager



Graham Heller
Relationship Manager



Fred Jensen
Relationship Manager



Evangelos Blatsis
Relationship Manager



Sandra Mazzetti
Relationship Manager

Disclaimer

The material in this presentation is general background information about La Trobe Financial's activities as at the date of this presentation. The information is given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or borrowers or potential investors or borrowers and does not take into account the investment objectives, financial situation or needs of any particular investor or borrower. These should be considered, with or without professional advice, when deciding if an investment or a loan is appropriate.

† The offer to apply for Class A Units in the La Trobe US Private Credit Trust is open to wholesale investors only. Investors applying to invest less than \$500,000 will need to produce an accountant's certificate to support their wholesale status. For more information, please refer to the Application Form (Annexure 2 to the Information Memorandum).

***The rate of return on your investment is current at 1 February 2023. The rate of return is reviewed and determined monthly and may increase or decrease each month. The applicable distribution for any given month is paid at the start of the following month. The rate of return is not guaranteed and is determined by the future revenue of the Credit Fund and may be lower than expected.**

#We will make **every endeavour** to release your funds 2 business days for the Classic Notice Account, 90 days for the 90 Day Notice Account and 180 days for the 6 Month Notice Account, after receiving your redemption request. We however have 12 months under the Fund's Constitution to honour that request. In determining whether to honour your redemption request within 2 business days for the Classic Notice Account, 90 days for the 90 Day Notice Account or 180 days for the 6 Month Notice Account we have to have regard to the Fund's cash position and the best interests of all investors. **There is a risk that a redemption request will not be honoured within 2 business days, 90 days or 180 days.** However, there has never been a case in the history of the Fund when we have not honoured a redemption request on time due to a lack of liquidity.

La Trobe Financial Services Pty Limited ACN 006 479 527 Australian Credit Licence 392385.

La Trobe Financial Asset Management Limited ACN 007 332 363 Australian Financial Services Licence 222213 Australian Credit Licence 222213 is the issuer and manager of the La Trobe Australian Credit Fund ARSN 088 178 321. It is important for you to consider the Product Disclosure Statement for the Credit Fund in deciding whether to invest, or to continue to invest, in the Credit Fund. You can read the PDS and the Target Market Determinations on our website or ask for a copy by calling us on 13 80 10.

Past performance is not a reliable indicator of future performance.

Total investors is calculated by adding all individual & joint investors (which includes some investors with a current zero balance in their account) to reasonable estimates of investors investing via platform, trusts or SMSFs.

To view our ratings and awards please visit our Awards and Ratings page on our website.

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