Overview

The Moelis Australia Fixed Income Fund (Fund) provides its investors (Investors) exposure to a diversified portfolio of credit investments in a unique fund structure designed to provide stable monthly cash distributions and a strong risk-adjusted return.

The Fund is underpinned by a material co-investment by Moelis Australia, which is used to prioritise Investor returns and significantly reduce Investor risk.

The firm will invest, alongside the Fund, an amount equal to 10% of the Fund’s capital, on terms that provide Fund Investors with the benefit of a capital buffer and income priority.

The terms of Moelis Australia’s co-investment mean:

(i) Moelis Australia’s capital will first absorb any realised losses, providing a buffer to protect Investor capital (Capital Buffer);

(ii) Investors benefit from prioritisation of income and capital; and

(iii) There is strong alignment of interest between Investors and Moelis Australia.

Moelis Australia will only ever receive a return on its co-investment if Investors have been paid the Target Return and Moelis Australia’s Capital Buffer is equal to 10% of the Fund’s capital.

1. Refer to Information Memorandum for further information.
About the Fund

The Fund aims to diversify its exposure across a range of commercial, accounts receivable and consumer lending products.

Portfolio and pipeline assets

Long-term target portfolio allocation

- Accounts Receivable: 30% (55%)
- Commercial: 20% (45%)
- Consumer: 20% (30%)
- Real estate: 0% (10%)
- Cash: 1% (10%)
About the Fund

The Fund has a unique structure that prioritises investor income and capital.

Investors receive all realised profit up to the Target Return in priority to any income distribution to Moelis Australia.

If, in any period, Investors receive less than the Target Return, the income shortfall will carry forward to future periods to be paid in priority to any income distribution to Moelis Australia.

Moelis Australia’s co-investment provides Investors with a Capital Buffer which will first absorb any realised losses with Investors receiving their capital back in priority to Moelis Australia in the event of a capital return.

If the Capital Buffer ever falls below 10% of the Fund’s capital, any Moelis Australia entitlement to distributions must be retained at the portfolio level until the Capital Buffer is replenished in full.

If realised profit exceeds the Target Return, then subject to any amounts payable under the income shortfall top-up and Capital Buffer top-up mechanisms outlined above, any excess realised profit will be paid as a distribution on Moelis Australia’s co-investment.

1. Based on a total fund size of $100m and $10m co-investment from Moelis Australia
Moelis Australia Asset Management

Moelis Australia Asset Management originates and manages investment opportunities for sophisticated and institutional investors in real estate, credit, private equity and venture capital.

We are a principal investor in many of our funds on the same terms as clients ensuring strong partnerships and aligned objectives with our growing base of domestic and international wholesale investors.

Moelis Australia Asset Management has $3.9bn in assets under management including $800 million in credit and fixed income (as at June 2019).

Information for SIV Investors

Investors who require their investment to remain SIV compliant will invest in the Fund via a separate managed fund, which has been established solely to hold Units in the Fund. Please contact your Moelis Australia representative for more information.

For more information and to express your interest:
moelisaustralia.com/funds

Adam Mackie
P +61 2 8288 5586
M +61 (0) 434 433 234

Aidan McCluskey
P +61 2 8288 5545
M +61 (0) 416 662 056

Amanda Lambert
P +61 3 8650 8661
M +61 (0) 404 021 135

James McCurley
P +61 2 8288 5595
M +61 (0) 409 397 887

Lee Hayes
P +61 2 8288 5587
M +61 (0) 405 130 964

DISCLAIMER Moelis Australia Asset Management Ltd (ACN 142 008 535) (AFSL 427515) is the trustee of the Moelis Australia Fixed Income Fund (the Fund) and has appointed Moelis Australia Funds Management Pty Ltd (ACN 631 552 896) as investment manager of the Fund (Manager). Investors should refer to the Information Memorandum and consider seeking professional financial and taxation advice before deciding whether to invest in the Fund. Neither Moelis Australia Asset Management Ltd, the Manager or any of their respective related parties guarantees any performance or the return of capital invested. Past performance is not a reliable indicator of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested. Opinions contained herein may be subject to change without notice and do not constitute investment advice or recommendation. Offers of interests in the Fund are contained in the Information Memorandum dated September 2019 which is available from Sarah Sagnand on (02) 8288 5594.