AUSTRALIAN
RESEARCH
INDEPENDENT INVESTMENT RESEARCH

Moelis Australia Private Credit Fund

January 2020

INDEPENDENT
INVESTMENT RESEARCH

WHO IS IIR?

Independent Investment Research, "IIR", is an independent investment research house based in Australia and the United States. IIR specialises in the analysis of high quality commissioned research for Brokers, Family Offices and Fund Managers. IIR distributes its research in Asia, United States and the Americas. IIR does not participate in any corporate or capital raising activity and therefore it does not have any inherent bias that may result from research that is linked to any corporate/ capital raising activity.

IIR was established in 2004 under Aegis Equities Research Group of companies to provide investment research to a select group of retail and wholesale clients. Since March 2010, IIR (the Aegis Equities business was sold to Morningstar) has operated independently from Aegis by former Aegis senior executives/shareholders to provide clients with unparalleled research that covers listed and unlisted managed investments, listed companies, structured products, and IPOs.

IIR takes great pride in the quality and independence of our analysis, underpinned by high caliber staff and a transparent, proven and rigorous research methodology.

INDEPENDENCE OF RESEARCH ANALYSTS

Research analysts are not directly supervised by personnel from other areas of the Firm whose interests or functions may conflict with those of the research analysts. The evaluation and appraisal of research analysts for purposes of career advancement, remuneration and promotion is structured so that non-research personnel do not exert inappropriate influence over analysts.

Supervision and reporting lines: Analysts who publish research reports are supervised by, and report to, Research Management. Research analysts do not report to, and are not supervised by, any sales personnel nor do they have dealings with Sales personnel

Evaluation and remuneration: The remuneration of research analysts is determined on the basis of a number of factors, including quality, accuracy and value of research, productivity, experience, individual reputation, and evaluations by investor clients.

INDEPENDENCE – ACTIVITIES OF ANALYSTS

IIR restricts research analysts from performing roles that could prejudice, or appear to prejudice, the independence of their research.

Pitches: Research analysts are not permitted to participate in sales pitches for corporate mandates on behalf of a Broker and are not permitted to prepare or review materials for those pitches. Pitch materials by investor clients may not contain the promise of research coverage by IIR.

No promotion of issuers' transactions: Research analysts may not be involved in promotional or marketing activities of an issuer of a relevant investment that would reasonably be construed as representing the issuer. For this reason, analysts are not permitted to attend "road show" presentations by issuers that are corporate clients of the Firm relating to offerings of securities or any other investment banking transaction from that our clients may undertake from time to time. Analysts may, however, observe road shows remotely, without asking questions, by video link or telephone in order to help ensure that they have access to the same information as their investor clients.

Widely-attended conferences: Analysts are permitted to attend and speak at widely-attended conferences at which our firm has been invited to present our views. These widely-attended conferences may include investor presentations by corporate clients of the Firm.

Other permitted activities: Analysts may be consulted by Firm sales personnel on matters such as market and industry trends, conditions and developments and the structuring, pricing and expected market reception of securities offerings or other market operations. Analysts may also carry out preliminary due diligence and vetting of issuers that may be prospective research clients of ours.

INDUCEMENTS AND INAPPROPRIATE INFLUENCES

IIR prohibits research analysts from soliciting or receiving any inducement in respect of their publication of research and restricts certain communications between research analysts and personnel from other business areas within the Firm including management, which might be perceived to result in inappropriate influence on analysts' views.

Remuneration and other benefits: IIR procedures prohibit analysts from accepting any remuneration or other benefit from an issuer or any other party in respect of the publication of research and from offering or accepting any inducement (including the selective disclosure by an issuer of material information not generally available) for the publication of favourable research. These restrictions do not preclude the acceptance of reasonable hospitality in accordance with the Firm's general policies on entertainment, gifts and corporate hospitality.

DISCLAIMER

THIS IS A COMMISSIONED RESEARCH REPORT.

The research process includes the following protocols to ensure independence is maintained at all times:

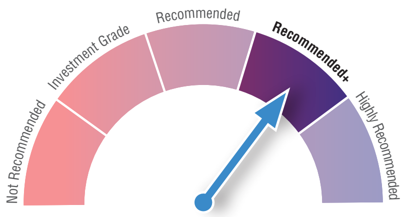
1) The research process has complete editorial independence from the company and this is included in the contract with the company;
2) Our analyst has independence from the firm's management, as in, management/ sales team cannot influence the research in any way;
3) Our research does not provide a recommendation, in that, we do not provide a "Buy, Sell or Hold" on any stocks. This is left to the Adviser who knows their client and the individual portfolio of the client.
4) Our research process for valuation is usually more conservative than what is adopted in Broking firms in general sense. Our firm has a conservative bias on assumptions provided by management as compared to Broking firms.
5) All research mandates are settled upfront so as to remove any influence on ultimate report conclusion;
6) All staff are not allowed to trade in any stock or accept stock options before, during and after (for a period of 6 weeks) the research process.

For more information regarding our services please refer to our website www.independentresearch.com.au.

Moelis Australia Private Credit Fund

Note: This report is based on information provided by the company as at January 2020

Rating



Key Investment Information

Name of Fund	Moelis Australia Private Credit Fund
Investment Manager	Moelis Australia Funds Management Pty Ltd
Trustee	Moelis Australia Asset Management
Investment Type	Australian Wholesale Unit Trust
Fund Term	Open-ended Trust
Inception Date	23 Dec 2019
Application Close	Open ended
Unit Issue Price	$1.00 per unit
Min Investment	$100,000
Target Total Returns	8% - 10% p.a. (net of fees), incl a target quarterly distribution of 5% p.a. (net of fees)
Redemption Notice	Last day of each calendar quarter
Distribution Policy	Quarterly
MER	1.20% p.a. of invested capital
Performance Fee	20% over RBA Cash plus 5%

Fees Commentary

Assuming the target total returns range is achieved, the total fee amount would range from 1.41% to 1.81% p.a. While this is at the higher end of fees on a comparative basis, investors need to bear in mind that the origination and management of the loan book is very much based on a 'high touch' approach by the Manager. Investors ultimately benefit from this management approach.

Target Portfolio Characteristics

Loan Segment	SME and Corporate
Loan Type	Senior, Unitranche, Secured Financing
Underlying Loan Sizes	$10m - $200m
Tenures	1 - 4 years
Leverage	Up to 30% of GAV

OVERVIEW

The Moelis Australia Private Credit Fund ("the Fund") is a newly established fund that provides investors exposure to the Australian private debt market. The Fund was established by Moelis Australia Asset Management Limited (the Trustee) which, in turn, appointed Moelis Australia Funds Management Pty Ltd (the Manager) as investment manager. The Fund will endeavour to create a diversified portfolio of secured loans to mid-market corporates and small and medium enterprises (SMEs). All loans will be secured by first lien senior secured collateral, which ranks ahead of any other type of debt in the capital structure in terms of priority of payment and security on assets and cash flows. The Manager will not engage in any subordinated loans. Private credit investments will include a mixture of senior, stretch senior (unitranche) and secured loans, to operating businesses with stable recurring cash flows and/or strong asset backing. This reflects a strategic emphasis on lower credit risk, rather than stretching for yield, and in turn reflects a consistent approach by Moelis Australia of focusing on preserving investor capital. The Manager has a very proactive approach to structuring and managing its credits. It facilitates this by being either the sole-lender or, in the case of syndicated corporate loans, being the lead or co-lead lender. This provides for greater transparency and deal control, with the potential to structure more favourable pricing, collateral, covenants, and other credit terms, in addition to greater control / influence in the event of a default and potential recovery / workout situation. The Fund is targeting a quarterly distribution equivalent to 5% p.a. and total returns equal to 8-10% p.a. net of fees.

INVESTOR SUITABILITY

The Fund is designed to deliver stable returns with exposure diversified across credit market segments, borrowers, industries and origination channels and lower risk of capital loss created by the defensive nature of senior secured credit investments. Returns are expected to be in the form of income and capital, with a risk of capital downside should the Manager recoup less than the principal outstanding on a defaulted loan. IIR would deem the investment strategy to be at the lower end of the risk spectrum of private debt based on the first lien security, prudent underwriting, a very proactive approach to portfolio monitoring, which includes the investment team's significant experience in resolving deteriorating credits in addition to the investment team's prior track record. Private Debt offers several advantages over the traded sub-investment grade markets of high yield bonds and bank loans (public debt). Private debt lenders receive more detailed due diligence information, senior investments benefit from security over assets, there is a lower degree of interest rate sensitivity as private debt investments are more often floating rate notes, and there is lower marked to market volatility. Further, private debt investors benefit from stronger covenants and better information / monitoring rights. For these reasons, IIR views private debt strategies such as pursued by the Fund as a sensible allocation within a larger holding of debt related investments.

RECOMMENDATION

IIR ascribes a "**Recommended Plus**" rating to the Moelis Australia Private Credit Fund. The investment strategy is managed by an experienced team with an established history in the corporate and SME lending segments. While the Fund is newly formed, IIR has a high degree of conviction in the Manager's ability to achieve the stated total returns objective over the foreseeable future given the strength of the investment process and broader resources at Moelis Australia. Private debt has, to date, presented an attractive income opportunity, partly through a persistent illiquidity and complexity premium, attractive arrangement fees and a considerable market opportunity given the withdrawal of traditional bank lending in the SME and mid-market corporate lending segments. Given the first lien senior secured nature of the direct loans the Fund will engage in, IIR considers the targeted total return premium to that generally derived in the more established North American and European private debt markets, let alone to that of the liquid / bank loans market, as attractive to very attractive on a risk-adjusted basis.

SWOT ANALYSIS

Strengths

- The investment team, while newly formed within Moelis Australia, have significant experience in the corporate and SME lending segments targeted by the Fund. The three member team is led by Oliver Trajcevski (Managing Director, Credit). To date, Oliver has been involved in the underwriting, management and repayment/realisation of over $2.5bn in transactions (with nil capital loss).
- Given the first lien senior secured nature of the direct loans the Fund will engage in, IIR considers the targeted yield premium to that generally derived in the more established North American and European private debt markets, let alone to the liquid / bank loans market, as attractive to very attractive on a risk-adjusted basis.
- The Manager applies an 'equity mindset' to credit exposures which helps the early identification of risk and proactive engagement with the borrower to protect underlying security and ensure a clear exit strategy.
- As an organisation as well as its key principles in the business, Moelis Australia has a strong pedigree and long history in credit initiatives and significant expertise in company workout and restructuring. Moelis Australia also has a history of co-investing alongside investors, serving to further increase an alignment of interest with investors.
- The open ended structure is designed by substantially mitigate the cash dilution risk inherent in the close-ended structure and, more importantly, the requirement to quickly invest large sums of money raised through an IPO or secondary capital raise, the latter of which can lead to a deterioration in prudential lending standards.

Weakness

- While IIR has conviction in the Manager's ability to achieve the targeted income objective of the Fund, we note the Fund is newly formed and therefore lacks the benefit of a proven track record.
- Assuming the target total returns range is achieved, the total fee amount would range from 1.41% to 1.81% p.a. While this is at the higher end on a comparative fee basis, investors need to bear in mind that the origination and management of the loan book is very much based on a 'high touch' approach by the Manager. Investors ultimately benefit from this management approach.
- While there is substantial lending experience within Moelis Australia, mitigating any potential key person risk issues, we note the team is small and the investment team members relatively new to Moelis Australia.

Opportunities

- Changes to regulatory and prudential regimes has seen traditional banks tighten lending requirements and in some cases, reduce or withdraw offering credit particularly to mid-market corporates and SMEs. This has created significant demand with non-bank sourced funding now overtaking traditional bank sourced funding for mid-market corporates and SMEs. The Fund offers individual investors direct access to private credit opportunities traditionally accessible primarily by institutional investors.
- Private Debt offers several advantages over the traded sub-investment grade markets of high yield bonds and bank loans (public debt). These include more detailed due diligence information, senior investments benefiting from security over assets, lower marked to market volatility and higher returns. For these reasons, IIR views private debt strategies such as pursued by the Fund as a sensible allocation within a larger holding of debt related investments.

Threats

- The Manager acknowledges that over time, as a greater degree of capital flows into the non-ADI private lending segment and the market becomes more efficient, the market is likely to contract in terms of yields. The Manager estimates that the order of magnitude of yield compression could be as much as 200 basis points over the next two years, or so, for any given risk profile.
- Loan impairments may adversely impact total returns to investors. We note the Manager has a strong track-record in this regard to date however.

PRODUCT OVERVIEW

The Fund is structured as an unlisted wholesale unit trust. The Trustee of the Fund is Moelis Australia Asset Management Limited which, in turn, has appointed Moelis Australia Funds Management Pty Ltd as Manager of the Fund to assess, acquire and manage loan exposures on behalf of the Fund. Each of the Trustee and Manager are wholly owned subsidiaries of Moelis Australia Limited (ASX: MOE).

In terms of the investible private debt market for the Fund, it is important to note that all forms of lending will be based on a first lien over the secured assets and/or cashflows. With this in mind, the Manager will engage in six sub-categories of asset-backed lending, specifically, asset-backed lending, corporate lending (secured by cash flows), growth capital, acquisition finance, transformational capital, and bridging finance. The expectation is that the portfolio will be weighted by lending category in the order articulated above, with asset-backed the most significant, followed by corporate lending, etc.

The diversity of lending by sub-segment is intentional as, should a macro event occur, the Manager has multiple exit avenues across the portfolio in which to smooth performance. In order to execute any lend, the Manager needs to see either strong assets, strong cash flows, or strong management. As a minimum, one of the three attributes needs to be present to execute a lend, but preferably two are present to execute a lend.

At an internal, underlying level, the Manager has been operating for approximately three months with the purpose of establishing the initial portfolio for the Fund at the point of allotment of units to investors. These credits, which total six at the date of this report, have or will been funded by Moelis' balance sheet and have effectively been 'warehoused' for the Fund in order to mitigate 'cash drag' risk over the initial ramp up stage of the Fund.

The open-ended structure, tied with the Manager's commitment to only raise an amount of capital it is confident will be fully invested in a timely fashion, represents a more efficient investment structure for investors. The ability to accept additional applications after the initial capital raise (rather than simply the one, larger capital raise at inception) permits the Manager to raise smaller amounts which can be fully invested over a shorter time frame. This mitigates cash dilution risk which is created whenever the Manager has not fully invested all capital raised and, more importantly, it eliminates the need to invest very large amounts of capital over a relatively short time-frame (risking a deterioration in prudential standards). The structure also mitigates a potential liquidity mismatch between the potential redeeming investors and the underlying illiquid asset class (further mitigated by the relatively short tenor of most loans of around 2-3 years).

Investors wishing to redeem units are required to notify the Manager prior to the last day of each calendar quarter, being the Redemption Notice Date. The Manager will seek to meet redemption requests as soon as practicable and: where uncommitted cash balances are sufficient to meet redemption requests, within 30 business days of the Redemption Notice Date; or where cash balances are insufficient at the relevant Redemption Notice Date, with the proceeds of maturing loans and within the Redemption Notice period as per the IM.

The Fund may borrow up to 30% (or up to 50% during the Ramp Up Phase) of the Fund's gross asset value (GAV) to manage its liquidity. For example: for short term bridging finance for acquisitions; and to meet working capital requirements and other short term obligations.

Fees include an MER of 1.20% p.a. of invested capital of the Fund, with invested capital also including any gearing applied, and a performance fee equal to 20% of total returns over the RBA Cash Rate + 5% (currently a hurdle of 5.75%). There are potential 'other costs', specifically any direct or indirect costs associated with the acquisition, funding, management or recovery of loans may be reimbursed by assets of the Fund.

MOELIS AUSTRALIA

Moelis Australia is an ASX-listed financial services group (ASX: MOE) specialising in asset management, corporate advisory and equities. Since launching in 2009, Moelis Australia has advised on transactions worth over $100 billion, assisted clients to raise more than $7.5 billion in equity capital markets, and currently have over $4.7 billion in assets under management. Including $800 million in credit and fixed income (as at November 2019).

Moelis Australia consists of three divisions: Asset Management; Corporate Advisory, and; Equities.

The Asset Management division manages investment for institutional and wholesale investors across real estate, credit, private equity and venture capital. Moelis Australia is a principal investor in many of the funds managed by its asset management division (including the Fund), on the same terms as other investors ensuring strong partnerships and aligned objectives with its growing base of domestic and international wholesale investors.

Moelis Australia's Corporate Advisory division provides strategic and financial advice for mergers and acquisitions, equity capital markets, debt capital markets and restructuring and recapitalisations. The Corporate Advisory division may be integral to managing investments undertaken by the Fund where it is determined that there is a need to draw on the division's expertise and resources in relation to a deteriorating credit.

Moelis Australia has significant credit capabilities across a large part of the credit spectrum. The teams responsible for overseeing and managing the Moelis Australia credit platform have significant experience across the entire credit and equity spectrum. They are supported by the breadth of capabilities of the broader Moelis Australia group.

Moelis Australia notes:

- Its credit teams lend against assets that they fully understand from both credit and equity perspectives;
- Its credit market experience ensures a robust documentation process with each transaction having a senior security parameter, including perfected security interest;
- A deep understanding of the market and its participants enables a considered approach to pricing risk;
- An 'equity mindset' to credit exposures helps the early identification of risk and proactive engagement with the borrower to protect underlying security and ensure a clear exit strategy;
- Rated Number 1 Investment Bank (since 2011) in restructuring, Number 4 Investment Bank (since 2017) in mid-market M&A, 15 years average experience across the senior investment banking team.

INVESTMENT TEAM

The investment process and portfolio is managed by a three member dedicated investment team and overseen by a four member investment committee (IC). The investment team is responsible for origination, credit assessment, credit analysis, portfolio construction, loan management and portfolio operation. The IC is primarily responsible for considering loans identified and proposed for investment by the Fund.

The three member team is led by Oliver Trajcevski (Managing Director, Credit). Oliver and the two other team members are seasoned lending professionals and together are across all aspects of the investment process and loans management. While the team is small we do not believe it is stretched. Further, we would anticipate Moelis may grow the team as the scale of the investment strategy grows if deemed appropriate, as it has done with other investment strategies. Additionally, the team is able to draw on substantial resources internally should the need arise.

The key members of the investment team are detailed below.

- **Oliver Trajcevski.** Managing Director. He has over 20-years' experience in corporate finance and investment banking and was a co-founder of Dinimus Capital. Oliver has structured transactions spanning a diverse range of industries, assisting both private companies and listed public companies. Prior to establishing Dinimus Capital, Oliver worked at Fortress Investment Group, GE Capital and PriceWaterhouseCoopers. His core areas of expertise lie in risk and underwriting, structured finance, asset management, and principal investment for private equity funds, hedge funds and publicly traded alternative investment vehicles. To date, Oliver has been involved in the underwriting, management and repayment/realisation of over AU$2.5 billion in transactions (with nil capital loss).
- **Saad Khan.** Vice President. Saad has more than 10 years' experience in corporate and investment banking (local and international), focusing on corporate finance, investment banking, portfolio management and relationship management. He has a track record of spearheading and executing transactions from working capital funding to large infrastructure project financing, syndications and restructuring deals for clients spanning a diverse range of industries. Saad was previously associated with Westpac (Commercial

Bank) and Dinimus Capital in Australia. His experience from overseas includes corporate and investment banking roles at Samba Financial Group, Faysal Bank (subsidiary of Ithmaar Bank B.S.C Bahrain) and Standard Chartered Bank.

- **Jason Workman.** Vice President. Jason has over 30 years' experience in a range of general management roles in both B2C and B2B businesses in Australia and UK. Jason has held senior manager roles at publishing and ecommerce companies, both corporate and locally owned and has been part of several start-ups.

In addition to Oliver, the four member IC consists of the following members:

- **Andrew Martin.** Head of Moelis Australia Asset Management. Over 25 years of experience in private equity investment and investment banking, and is responsible for the firm's private equity, venture capital an credit investments. Andrew is a Managing Director at Moelis Australia and Head of Asset Management where is responsible for the firm's asset management business across a range of asset classes including real estate, private equity and equities. Prior to joining Moelis Australia in 2012, Andrew was a Managing Director at UBS Global Asset Management in Infrastructure and Private Equity..
- **Richard Colless.** Chairman. Richard is the Chairman of Moelis Australia Asset Management business. Over 40 years of experience in the financial services industry in Australia and the UK. Chairman of ING Real Estate Investment Management from 2004 until 2010 which was the manager for 5 listed property trusts in Australia with gross assets over A$10 billion.
- **Chris Wyke.** Over 20 years' experience in private equity, turnaround, restructuring, M&A and equity and debt capital markets. Prior roles at JPMorgan and UBS in London, Singapore and Sydney.

Investment Team & Investment Committee Personnel

Name	Position	Sector Focus	Years at Firm	Ind. Exp. (yrs)
Oliver Trajcevski	Managing Director	SME, Corporate Lending	<1	20+
Saad Khan	Vice President	SME, Corporate Lending	<1	10+
Jason Workman	Vice President	SME, Corporate Lending	<1	30+
Andrew Martin	MD and Head of Asset Management	Asset Management	8	25+
Richard Colless	Chairman	Asset Management	8	40+
Chris Wyke	Head of Corporate Finance, Managing Director	Asset Management	8	20+

THE AUSTRALIAN PRIVATE DEBT MARKET

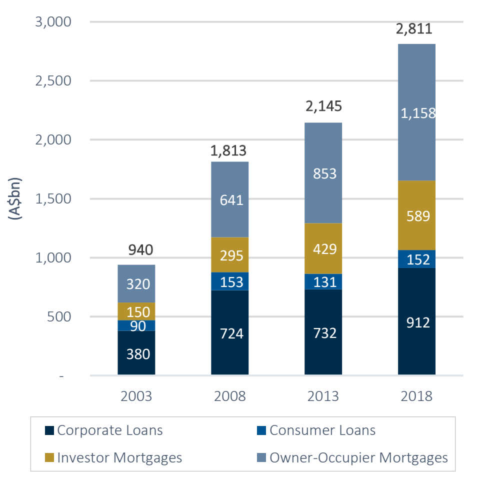
The private debt market in Australia is an $2.8 trillion market, bigger than the ASX 200 Index and Australia's total superannuation pool. It is a market that has experienced strong, year on year growth over the last 15 years with total private credit market experiencing a compound annual growth rate (CAGR) of 7.6% and the corporate loan market experiencing a CAGR of 5.9%.

Changes to regulatory and prudential regimes has seen major Australian authorised deposit taking institutions (ADIs) tighten lending requirements and in some cases, reduce or withdraw offering credit particularly to mid-market corporates and SMEs. Furthermore, while ADIs may have been generating attractive yields from such lending activities, the need to allocate capital against such lending activities has meant the actual level of returns are substantially less.

This has created significant demand with non-bank sourced funding now overtaking ADI sourced funding for mid-market corporates and SMEs. These entities are not required to allocate capital against the same lending activity. A case in point is the very recent withdrawal of Westpac from equipment finance and leasing which previously managed a multi billion lending book in the segment.

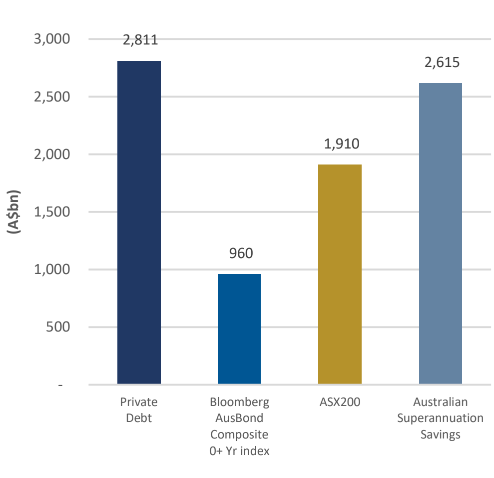
The private debt market has substantial barriers to entry which make it difficult for non-bank lenders to participate and is traditionally the domain of ADIs. Those non-bank lenders who can overcome the barriers to entry are meeting the growing demand and providing wholesale investors exposure to this market.

Australian Private Debt



Source: Source: Reserve Bank of Australia

Relative Size of the Australian Private Debt Market



Source: Source: ASFA, RBA, ASX, Bloomberg

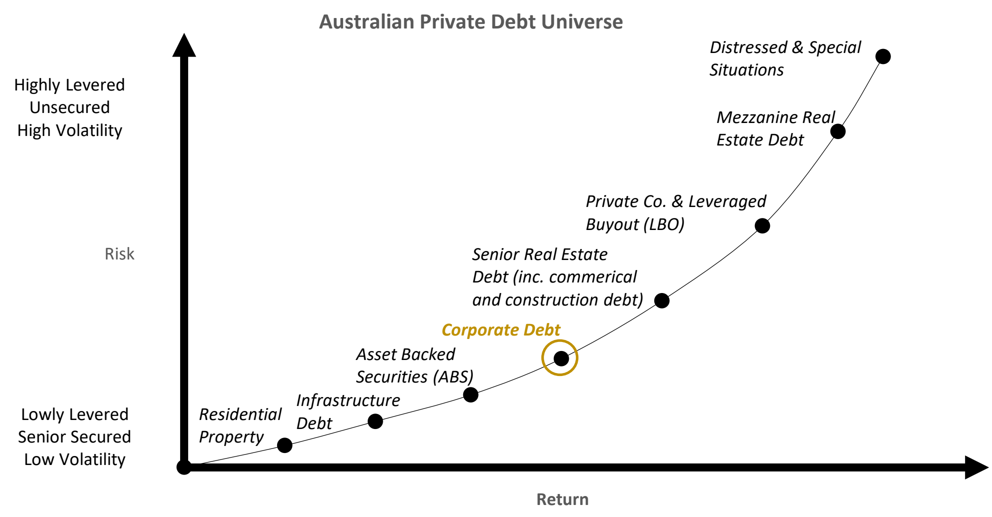
For investors, given the traditional dominance of the major banks and the resultant market inefficiencies, the local private credit market offers strong risk-adjusted returns and greater structural protection compared to private credit in regions such as North America and Europe.

The Manager is of the view that over time, as a great degree of capital flows into the non-ADI private lending segment and the market becomes more efficient, the market is likely to contract in terms of yields. The Manager estimates that the order of magnitude of yield compression could be as much as 200 basis points over the next two years, or so, for any given risk profile.

Features of the Australian Private Debt Market

Factor	Australia	Sector Focus
Current Market Landscape	Growing number of non-bank institutional and private lenders but remains bank-dominated Secured (senior, stretch senior, unitranche and mezzanine) Illiquid with secondary trading the exception not the norm	Deep secondary market Highly liquid Secured / Unsecured Increased volatility
Typical Structures and Covenant Packages	Super Senior structures without control Mandatory debt repayment on asset sales Covenant packages are commencing to trend towards the European and North American models, although still tight relative to global standards for Term Loan B (TLB) market Unitranche structures more visible in the mid-market and SME market	Covenant lite and no covenant loans are standard (particularly in the TLB market) Additional indebtedness widely accepted Removal of lender consent on asset sales is common

The Investible Private Debt Universe



INVESTMENT PROCESS

Philosophy

The focus on first lien senior secured, which ranks ahead of any other type of debt in the capital structure in terms of priority of payment and security on assets and cash flows, reflects a strategic emphasis on lower credit risk, rather than stretching for yield that can be generated through subordinate and mezzanine debt. It reflects a consistent approach Moelis Australia exhibits at firm wide level in relation to its investment products, namely a strong focus on preserving investor capital.

The Manager has a very proactive approach to structuring and managing its credits. It facilitates this by being either the sole-lender or, in the case of syndicated corporate loans, being the lead or co-lead lender. This provides for greater transparency and deal control, with the potential to structure more favourable pricing, collateral, covenants, and other credit terms, in addition to greater control / influence in the event of a default and potential recovery / workout situation.

Pleasingly, with respect to corporate lending, the Manager does not engage in 'cov lite' loans nor accepts EBITDA 'addbacks' (utilising instead last-twelve-month EBITDA), two trends in the segment reflecting a general deterioration in lending standards and security. This prudent approach to underwriting and high level of transparency and 'ball control' in the event of a default and/or deteriorating serviceability in a borrower is also enhanced by the fact that excluding corporate mid-market lending, many of the dynamics of deteriorating underwriting trends that have marked the latter sub-segment have not been present with respect to SME lending and accounts receivables, inventory, PPE, and property related collateral. In some regards, IIR views this as offering a higher degree collateral and lower degree of risk than the corporate mid-market private debt sector currently.

The investment style can be described as market-driven opportunistic in which the Manager has the flexibility to actively position the portfolio in relation to what is viewed as the most attractive risk-return opportunities and in response to changing market conditions. Reflecting this, there is an intentional absence of portfolio limits with respect to the six lending sub-segments the Manager will target.

The Manager's lending strategy incorporates a fundamentally-driven credit investment philosophy which is based on detailed credit underwriting and financial analysis. For each credit, the Manager employs a bottom-up, fundamental due diligence process. The Manager seeks to understand every opportunity effectively from an equity perspective, seeking to understand a borrower's business model and all matters pertinent to generating revenues and profits. The Manager will also establish multiple exit plans for a credit in the event and/or increasing risk of default and prior to executing a lend. As the Manager states, it needs to understand where the back door is before walking in the front door.

Moelis Australia has a track record of exploring a range of credit initiatives to capitalise on the identified solid risk adjusted return opportunities present in the market. When evaluating any credit opportunity, there are seven key criteria and one overarching question Moelis Australia asks itself when considering pursuing a particular credit initiative. Firstly, does Moelis Australia have significant competence in the area such that it is an expert? Does it have a competitive edge that position it strongly over the medium to long-term? Is it a substantial market opportunity over the long term and is it at a sufficiently early stage of that opportunity? Does it have the right governance structure? Is there sufficient capital protection in for both Moelis Australia and investors?

While the investment team newly formed at Moelis Australia, it has considerable experience in the lending segments being pursued by the Fund. Further, it is supported by an established track record and experienced resources in understanding companies, monitoring, workouts, etc.

Investment Strategy

The Fund's investment strategy is to create a credit investment portfolio with exposure to mid-market corporates and SMEs diversified across credit market segments, borrowers, industries and origination channels.

The Fund will manage risk through detailed initial and ongoing due diligence, portfolio construction and risk management. The table below provides a summary of the Fund's investment guidelines.

Fund's Investment Guidelines	
The Investible Private Debt Universe	• Corporate finance • Asset-backed finance • Growth capital • Acquisition finance • Event driven finance • Transformational capital • Bridging finance
Investment Characteristics	• Senior or unitranche financing (subject to sufficient portfolio diversification) • Secured positions only • Rated or unrated by a credit rating agency (Moody's shadow rating) • Cash, payment-in-kind (PIK) interest • Tenor 1-5 years, unless otherwise agreed by the Investment Committee • Strong asset backing and or recurring, stable cash flows
Location	• Investments will be primarily connected to or have their principal business located in Australia and New Zealand
Maximum Exposures	• Borrowers: Credit to a variety of public and private companies, and no more than 20% of the Fund assets will be invested in a single borrower group, from 6 months after First Close • Industries: Credit across industry sectors and no more than 25% of the Fund's investments will be in a single industry, from six months after First Close
Asset Duration	The Fund will invest in loans with a maximum term to maturity of four years, unless otherwise agreed by the Investment Committee. Loans are assessed to ensure clear exits at the end of the loan term. To facilitate liquidity, notwithstanding the fact that there is an active secondary market for certain types of private debt, the Manager seeks to diversify by term to maturity and targets a weighted portfolio loan tenor of 2.75 years.

In terms of the investible private debt market for the Fund, it is important to note that all forms of lending will be based on a first ranking security over the secured assets and/or cashflows. With this in mind, the Manager will engage in six sub-categories of asset-backed lending, specifically, asset-backed lending, corporate lending (secured by cash flows), growth capital, acquisition finance, transformational capital, and bridging finance. The expectation is that the portfolio will be weighted by lending category in the order articulated above, with asset-backed the most significant, followed by corporate lending, etc.

This variation of lending is intentional as, should a macro event occur, the Manager has multiple exit avenues across the portfolio in which to smooth performance. In order to execute any of the above, the Manager needs to see either strong assets, strong cash flows, or strong management. As a minimum, one of the three attributes needs to be present to execute a lend, but preferably two are present to execute a lend.

Asset-backed lending will be based on a first ranking security over the secured assets. The latter may include accounts receivable, inventory, and property, plant, and equipment (PPE). Additionally, the lend may also be secured by personal guarantees over the borrowers property as an additional layer of security / risk mitigation. As in the case of all loans, asset-backed lends will be subject to maximum constraints, as outlined in the Portfolio Construction section of this report.

Corporate lending, secured by cashflows, may be undertaking on a sole lending basis by the Manager (where the loan size does not introduce undue portfolio construction risk) or on a club syndicated basis (where the total loan is split between multiple borrowers). In the case of syndicated lending, it is the Manager's intention to take either a lead or co-lead role. Being either the sole-lender, lead or co-lead lender in a corporate lending deal (as opposed to simply a syndicate member) provides for greater transparency and deal control, with the potential to structure more favourable pricing, collateral, covenants, and other credit terms, in addition to greater control / influence in the event of a default and potential recovery / workout situation.

A certain percentage of corporate lending deals are expected to be private equity (PE) sponsor backed. That is, where a private equity firm is the owner of the business and seeks to partly leverage the business through a debt facility. It is expected that this component of corporate lending deals is unlikely to exceed 15% of the total portfolio. This limit reflects the Manager's view that with PE sponsored deals it is often more difficult to control the structuring of a deal.

Growth capital, transformational capital, and event driven lends will all draw heavily on the Manager's equity approach to understanding a business and where the Manager is likely to place a particularly strong emphasis in the assessment of the quality of the management team of the borrower. The repayment of these lends are more commonly expected to be structured on a payment-in-kind (PIK) structure. That is, where the principal and interest is periodically repaid (for example, annually) or repaid totally at the maturity of the loan. While a PIK structure introduces a greater degree of risk than the typical amortisation structure, the Manager will mitigate this additional risk through more conservative lending parameters and with respect to security. The Fund intends to pay out all of the accrued PIK interest in cash each quarter.

The loans will be either first lien, senior secured debt or, to a lesser degree, unitranche or 'stretch senior' (defined as senior loans with a leverage multiple (Debt/EBITDA) greater than 5.0x). The leverage for each deal will depend on the quality rating of the relevant investment and is expected to be in the range of 3-5.0x for Senior Secured Loans and 5.0-6.5x for Stretch Senior. These ranges may change as the market environment evolves.

As consistent with the private debt market, most loans are expected to be floating rate instruments based on an interest rate spread over the 90-day BBSW rate and which may be periodically reset. Broadly speaking, the spread is a function of credit quality and market-based factors, specifically the illiquidity premium and market supply and demand. Interest rate floors will typically apply, mitigating returns risks should the RBA implement further cuts to the RBA Cash Rate.

Returns to investors in the Fund will in the form of income from the Fund's deployed capital to borrowers comprising: 1) floating rate interest payment coupons; 2) interest payments may be structured in the form of a Payment In-Kind (or PIK), which accrues on a current basis but is generally paid later, often at maturity; 3) up-front "fees," principally in the form of original issue discount or "OID" (the difference between the issue price and the par value of the debt, noting that the Manager may determine fee sharing arrangements with the Fund and other related parties at its discretion); 4) fees and other penalties on early repayments from borrowers; 5) less any ancillary costs to running the Fund, and; 6) a potential diminution of income should losses be incurred through a default event and a recovery rate less than par value.

Principal repayments of debt will be retained in the Fund as capital for new loans while the Fund is in a 'growth' phase. If / when the Fund is in 'run-off' phase, this capital will be repaid to existing investors at that point in time.

The issue of loan serviceability is primarily addressed by way of the margin of safety from the underlying asset value (over which the Manager has a registered first ranking security) relative to what the Manager has lent. For example, if the Manager were to extend a 12-month loan based on a 55% LVR and a 10% interest rate, the maximum LVR at the end of the term assuming no interest paid would be 65%. Based on the Manager's lending criteria and defined exit strategies, there would be a high degree of confidence in recovering at least the full 65% LVR amount (in reality, the loan would have been enforced well before the 12-month period).

Credit Assessment and Management Process

The Manager seeks to ensure adequate structural protections and portfolio diversification. Investments are typically characterized by highly negotiated, customized covenant packages. It seeks structural protections such as strong protective covenants, mandatory amortizations (excluding some PIK structures) and free cash flow sweeps in order to limit the downside risk that is commonly associated with illiquidity. Being the sole, lead or co-lead lender in the majority of investments provides greater control in negotiating protections. This is in contrast to simply being a deal participant in which case a participating lender may simply be 'piggy backing' off the sourcing lender and being a price taker.

IIR notes that in the corporate lending segment it is generally accepted that in recent years there has been a general erosion of traditional creditor protections in new issue loan documentation (often referred to 'cov-lite' loans) and an increasing prevalence in the use of 'EBITDA add-backs', the latter of which understate real leverage levels. The latter may include the inflation of 'normalised' EBITDA by utilising EBITDA figures that exclude 'one-off' abnormal costs or factor in various presumed future structural improvements and/or acquisition related earnings growth. The rise of both reflect an increasingly borrower friendly market given the inflows of capital into both private and public debt. Furthermore, there has been a steady rise in the proportion of senior secured debt in a capital structure (vis a vis a steady decline in subordinated debt) which in turn has contributed to a general increase in leverage and a lowering of the cushion in which to protect senior secured debt holders.

The key takeaway for investors exposed to the corporate lending segment is the above practices reduce protections and understate the real degree of leverage. On the surface, what may appear to be two loans of a comparable risk profile can be materially different. While corporate lending will only represent a proportion of the total portfolio of the Fund, it is pleasing to note that Moelis Australia retains a very prudent approach to both, neither entering into 'cov-lite' covenant agreement and utilising a Last Twelve Months (LTM) EBITDA for all lends. This is a key advantage to being a lead or co-lead arranger of a lend - the ability to structure the standard of structural protections of a lend. Additionally though, this discipline in a market segment that has exhibited trends of ill-discipline speaks to a broader adherence to maintain rigorous prudential standards, irrespective of the credit sub-segment.

IIR notes Moelis Australia has significant financial restructuring and operational turnaround experience. It adopts a proactive approach to portfolio management and will step in early if an investment shows signs of credit deterioration through adverse operational developments. The Manager has the ability to leverage the operational expertise of Moelis Australia to assist the company in implementing operational improvements if needed. In addition to its operational capabilities, the Manager may also leverage the restructuring expertise of Moelis Australia. Access to such expertise can help to differentiate the Manager from other lenders in the market and better protect investments made by the Fund.

The Manager is highly aware of some of the risks that have crept into the private debt market, and not only the prevalence of 'cov-lite' loans and EBITDA add-backs. It seeks to address these risks by 1) being selective with loan investments (to date an approximate 5% lending execution rate of the total opportunities presented to the Manager), 2) ensuring strong loan protections, 3) having the resources to take action should the credit deteriorate, and 4) by targeting companies with strong cash flows and adopting strong levels of security.

The loan assessment and management process undertaken by the Manager is diagrammatically presented and detailed overleaf.

Origination. Loans are sourced from a variety of external sources including major banks, brokers, loan originators, legal, advisory and accounting firms, and PE sponsors. Oliver Trajcevski, having been engaged in this private lending segment for over 20 years, has established firm relationships and will rarely use an origination source outside this network of established relationships. This provides a degree of pre-qualification for any deal, with the Manager having a level of trust in the due diligence already undertaken by such parties. In many cases, these origination sources have had a pre-exising relationship with the prospective borrower for many years and have a vested interest in executing a solution for the client, i.e. there is a degree of 'ownership'. Furthermore, many such relationships have been over a multi-year period, assisting the quality of information provided by the origination source to the Manager.

Generally speaking, a wide and strong deal sourcing network is an important element of a successful private debt strategy. It creates a strong deal flow, enabling an investment manager with thorough underwriting processes to deploy capital in a sufficient time frame without comprising underwriting standards or portfolio quality. It also provides access to non-competitive, or less competitive opportunities, better information flow and often from trusted parties based on existing relationships, greater diversity in counterparties, greater role flexibility in each transaction (lead, co-lead, follower), and greater say in negotiated terms.

Investment Evaluation. The Manager undertakes a two stage evaluation process. The being an initial screen based on a strict investment criteria and an assessment of the quality of the security and degree of capital protection. For potential lends that pass this process, a detailed due diligence is conducted.

As noted previously, the Manager's lending strategy incorporates a fundamentally-driven credit investment philosophy which is based on detailed credit underwriting and financial analysis. For each credit, the Manager employs a bottom-up, fundamental due diligence process. The process is broadly divided into company and market due diligence, gaining a clear understanding of security quality, and determining exit options / strategies should a credit deteriorate.

Company due diligence focuses on understanding the quality of cash flows of the underlying investment, including requirements for growth, degrees of flexibility to reduce costs and requirements for debt amortization. It includes an assessment of the strengths and weaknesses in a company's cost structure, cost structure relative to competitors, and quality of suppliers.

The process generally entails management meetings, site visits, and, where required, calls with suppliers and customers. External consultants and third party industry diligence may also be included where additional external input is deemed prudent in relation to the industry the potential borrower is operating in.

Loan Terms and IC Review. For credits that pass the due diligence process, the lender and borrower proceed to a final agreement of loan structure, including terms, length of loan, pricing, structure, covenants and ratios. The IC then undertakes a credit and risk assessment prior to progression to the final stage. IC approval is required on all investments. Where applicable, the investment team may be required to seek additional security or seek modifications to loan structure or documentation to reflect IC requirements. Deals may be rejected by the IC due to issues around leverage levels, sector, size, capital structure, pricing, or control, amongst other factors.

Credit and Portfolio Monitoring. Credit performance and portfolio level risks and exposures are reviewed on an ongoing basis by the Manager and formally on at least a semi-annual basis by the IC.

IIR would characterise the Manager has high touch with respect to the performance of each individual credit. There is an advantage in originated direct lending investments over broadly syndicated debt instruments or public debt. Specifically, it enables an informational advantage in which to monitor and mitigate investment risks. Given the private, negotiated nature of these investments, lenders such as the Manager are able to access frequent borrower performance reporting which, combined with other negotiated terms in these arrangements, can enable lenders to assert influence over a borrower's business and identify early signs of credit deterioration.

Portfolio Construction

The table below summarises the internal risk management guidelines at a whole of portfolio level, noting that these guidelines are subject to change at the Manager's discretion. These guidelines appear appropriate to IIR, although we would expect the actual level on asset backed and property security to be materially below the maximum thresholds detailed below.

The Fund is not subject to limits with respect to the six sub-segments of lending. This is deliberate, as it provides the Manager the flexibility to actively position the portfolio in relation to what is viewed as the most attractive risk-return opportunities and in response to changing market conditions. It is consistent with the intention that the Fund be managed according to a high conviction, market-driven opportunistic investment strategy.

Portfolio Parameters

Credit Parameters	Description	Sub-description	Max Threshold
Leverage	Debt / EBITDA	Asset backed (> 1.25x)	< 5.00x
		Cash Flow (contract backed)	< 4.00x
Advance Rates	Trade / Account Eligible Receivables	< 60 day, Nil cross ageing, Nil contra	< 85%
	Inventory	Forced Liquidation Value (FLV)	< 55%
	Property	Residential - LVR; Commercial – LVR	< 75%; <65%
	Operating Assets	P&E – LVR	< 80%
DSC*	EBITDA / P&I		> 1.25x
ICR**	EBITDA / Interest		> 1.50x

* Debt Service Cover. ** Interest Cover Ratio

At an internal, underlying level, the Manager has been operating for approximately three months with the purpose of establishing the initial portfolio for the Fund at the point of allotment of units to investors.

To date, the Manager has reviewed to varying degree approximately $200m worth of potential investment opportunities. Of this, the Manager has received credit approval for $20m in the form of six loans, and which currently constitutes the initial portfolio for the Fund and investors. On a statistics basis, approximately one in twenty assessed credits have been approved, equating to an approximate 5% 'hit rate'. This is a prudent hit rate and, on the surface of it, reflects a stringent investment and review process.

The Manager reports it has a current pipeline of potential deals of approximately $450m. IIR does not at all expect deal flow to be a constraining factor for the Fund.

The initial pipeline assets which total six at the date of this report are outlined in the table below. The pipeline assets may or may not form part of the assets of the Fund and are provided for illustrative purposes only. The Fund will continue to source investments which meet its investment objective and investment strategy, however, during the ramp up phase of the Fund, the pipeline of investment opportunities may not be representative of the target investment guidelines. The Manager anticipates the ramp up phase will be for a period of up to 12 months.

Initial Portfolio and Pipeline Assets

Asset #	Sector	Value	% Portfolio	Yield	Tenor (yrs)	Type
1	Transport	$10.0m	18%	8.5%	3	Senior Secured
2	Rail Leasing	$10.0m	18%	6.75%	5	Senior Secured
3	Industrial Filtration	$5.0m	9%	10.5%	2	Senior Secured
4	Power	$13.0m	24%	10.5%	2	Senior Secured
5	Events	$12.0m	22%	10.75%	2	Senior Secured
6	Food	$5.0m	9%	11.5%	2	Senior Secured

Fund Inflows Management

The open ended structure is designed by substantially mitigate the cash dilution risk inherent in the close-ended structure and, more importantly, the requirement to quickly invest large sums of money raised through an IPO or secondary capital raise.

Rather than raise a large amount of capital through a one-time raise at the inception of the fund (and diluting yields during the period required to become fully invested), the open-ended structure permits the Manager to conduct multiple quarterly capital raisings and, hence, raise a lesser amount per raise compared to the close-ended vehicle. Yield dilution risk can be greatly reduced due to the shorter time frame to fully invest the new capital.

The key to the mitigation of yield dilution risk is in the management of the process. Importantly, the Manager has stated that it will adopt an approach of raising only an amount of capital for each particular quarterly raise that it knows it can invest over a quarterly time frame based on its existing pipeline of loans.

More importantly, however, is this periodic approach to raising capital and an amount calibrated with contracted credit lends means the risk that prudential lending standards could otherwise deteriorate for a manager under pressure to invest large amounts of capital in a timely fashion is effectively removed.

PERFORMANCE ANALYTICS

While the Fund does not have a track record and the strategy is newly formed within Moelis Australia, IIR gains confidence with respect to the following: It seeks to address these risks by 1) being highly selective with loan investments (to date an approximate 5% lending execution rate of the total opportunities presented to the Manager), 2) ensuring strong loan protections, 3) having the resources to take action should the credit deteriorate, and 4) by targeting companies with strong cash flows and adopting strong levels of security.

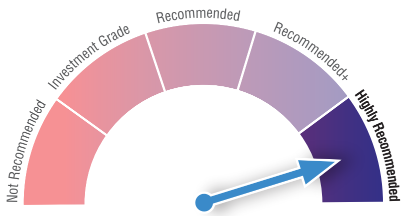
- Oliver Trajcevski has been engaged in SME and mid-size corporate lending for over 20 years and through various economic and lending cycles. Over this period he has experienced defaults but zero losses on the principal component of a credit.
- From a risk perspective, it is important to note that all forms of lending will be based on a first ranking security over the secured assets and/or cashflows. The Manager will not engage in any form of lending that does not qualify with the above, thereby excluding mezzanine financing or convertible notes (quasi equity), for example. The focus on first lien senior secured, which ranks ahead of any other type of debt in the capital structure in terms of priority of payment and security on assets and cash flows, reflects a strategic emphasis on lower credit risk, rather than stretching for yield, and a focus on preserving capital.
- Corporate lending, secured by cashflows, may be undertaking on a sole lending basis by the Manager (where the loan size does not introduce undue portfolio construction risk) or on a club syndicated basis (where the total loan is split between multiple borrowers). In the case of syndicated lending, it is the Manager's intention to take either a lead or co-lead role. Being either the sole-lender, lead or co-lead lender in a corporate lending deal (as opposed to simply a syndicate member) provides for greater transparency and deal control, with the potential to structure more favourable pricing, collateral, covenants, and other credit terms, in addition to greater control / influence in the event of a default and potential recovery / workout situation.
- IIR notes Moelis Australia has significant financial restructuring and operational turnaround experience. It adopts a proactive approach to portfolio management and will step in early if an investment shows signs of credit deterioration through adverse operational developments. The Manager has the ability to leverage the operational expertise of Moelis Australia to assist the company in implementing operational improvements if needed. In addition to its operational capabilities, the Manager may also leverage the restructuring expertise of Moelis Australia.

APPENDIX A – RATINGS PROCESS

Independent Investment Research Pty Ltd "IIR" rating system

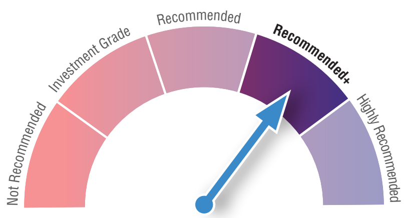
IIR has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors. Essentially, the evaluation process includes the following key factors: management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

LMI Ratings	SCORE
Highly Recommended	**83 and above**



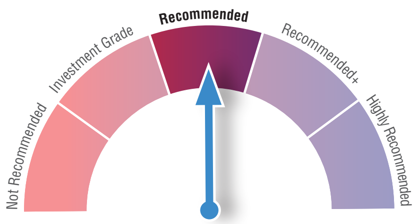
This is the highest rating provided by IIR, indicating this is a best of breed product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved exceptionally high scores in a number of categories. The product provides a highly attractive risk/return trade-off. The Fund is likely effectively to apply industry best practice to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors.

Recommended +	**79–83**



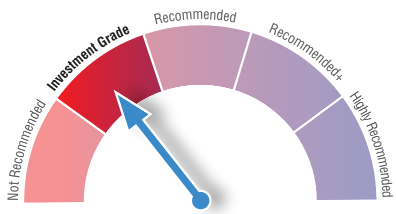
This rating indicates that IIR believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved high scores in a number of categories. In addition, the product rates highly on one or two attributes in our key criteria. It has an above-average risk/return trade-off and should be able consistently to generate above average risk-adjusted returns in line with stated investment objectives. The Fund should be in a position effectively to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors. This should result in returns that reflect the expected level of risk.

Recommended	**70–79**



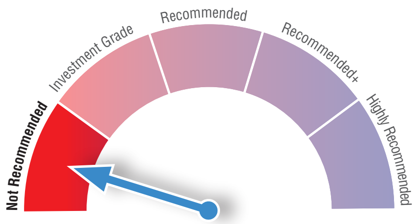
This rating indicates that IIR believes this is an above-average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above-average risk/return trade-off and should be able to consistently generate above-average risk adjusted returns in line with stated investment objectives.

Investment Grade	**60-70**



This rating indicates that IIR believes this is an average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an average risk/return trade-off and should be able to consistently generate average risk adjusted returns in line with stated investment objectives.

Not Recommended	**<60**

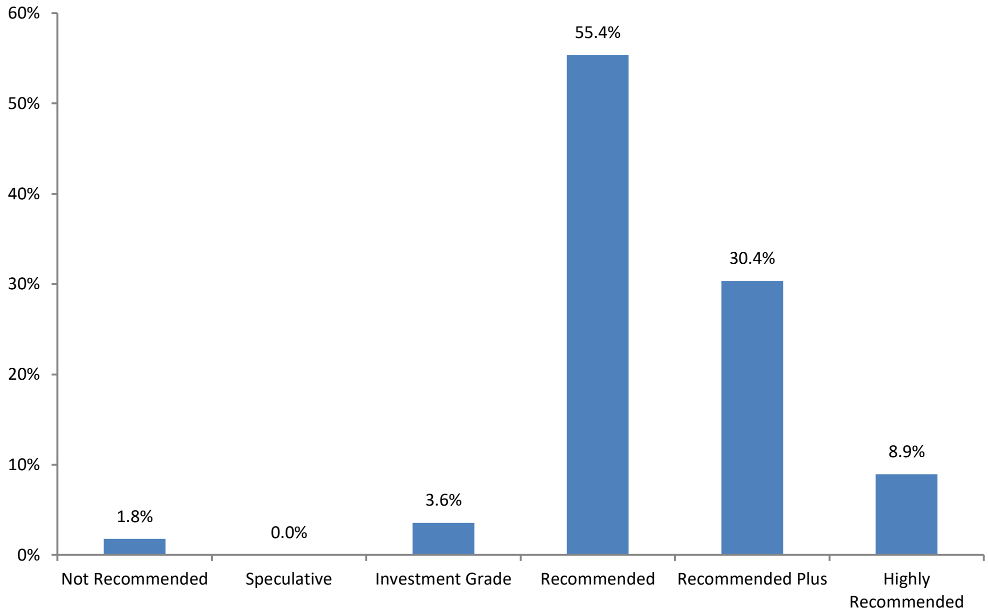


This rating indicates that IIR believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. While this is a product below the minimum rating to be considered Investment Grade, this does not mean the product is without merit. Funds in this category are considered to be susceptible to high risks that are not reflected by the projected return. Performance volatility, particularly on the down-side, is likely.

APPENDIX B – MANAGED INVESTMENTS COVERAGE

The below graphic details the spread of ratings for managed investments rated by Independent Investment Research (IIR). The managed investments represented below include listed and unlisted managed funds, fund of funds, exchange traded funds and model portfolios.

SPREAD OF MANAGED INVESTMENT RATINGS



DISCLAIMER

(a) Disclaimer

The information, reports, financial models, forecasts, strategies, audio broadcasts and other media (referred to as "Content" throughout this Legal Notice), provided on this web site has been prepared and issued by Altavista Research Pty Ltd trading as Independent Investment Research "IIR", Independent Investment Research Holdings Pty Ltd (ACN 155 226 074), as authorised to publish research under an Australian Financial Securities Licence (AFSL No 420170) which allows Independent Investment Research to offer financial service advice to retail and wholesale clients. Users of this web site should not act on any Content without first seeking professional advice. Whilst the Content contained on this web site has been prepared with all reasonable care from sources which we believe are reliable, no responsibility or liability is accepted by Independent Investment Research, for any errors or omissions or misstatements however caused. Any opinions, forecasts or recommendations reflect our judgement and assumptions at the date of publication or broadcast and may change without notice. Content on this web site is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. We are not aware that any user intends to rely on the Content provided or of the manner in which a user intends to use it. In preparing our Content it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual user.

Access by any user to this website does not create a client relationship between Independent Investment Research and the user. Users seeking to invest must obtain individual financial advice to determine whether recommendations are appropriate to their investment objectives, personal financial situation or particular needs, before acting on any recommendations. Any Content is not for public circulation or reproduction, whether in whole or in part and is not to be disclosed to any person other than the intended user, without the prior written consent of Independent Investment Research.

(b) Disclosure of Interest

General

Independent Investment Research, its officers, employees, consultants and its related bodies corporate have not and will not receive, whether directly or indirectly: any commission; fee; benefit; or advantage, whether pecuniary or otherwise, in connection with making any recommendation contained on this web site. Independent Investment Research, discloses that from time to time, it or its officers, employees and its related bodies corporate: may have an interest in the securities, directly or indirectly, which are the subject of these recommendations; may buy or sell securities in the companies mentioned in the Content; may effect transactions which may not be consistent with the recommendations in the Content; may have directorships in the companies mentioned in the Content; and/or perform paid services for the companies that are the subject of such recommendations.

However, under no circumstances, has Independent Investment Research been influenced, either directly or indirectly, in making any recommendations contained on this web site.

Corporate Research

Independent Investment Research has or may have, received a fee either directly by a company itself or by a third party, to provide coverage and/or corporate research (the "Fee"). Where a Fee has been received, Independent Investment Research does not publish:

Buy / Hold / Sell recommendations for the security or managed investment schemes.

(c) Copyright Protection

All Content at this web site is protected by copyright. Apart from any use permitted under the Copyright Act (Cth) 1968, you must not copy, frame, modify, transmit or distribute the material at this web site, without seeking the prior written consent of the copyright owner. Content on this web site is owned by the business Independent Investment Research. Users are prohibited from copying, distributing, transmitting, displaying, publishing, selling, licensing, creating derivative works or using any content on the web site for commercial or public purposes

(d) Trade Marks

The trade marks and logos displayed on this web site belong to Independent Investment Research or other parties. Such trade marks include registered trade marks and trade marks pending registration. Users are prohibited from using any of these trade marks, without seeking the prior written consent of IIR or such third party, which may own the trade mark content on this web site.

(e) Limitation of Liability

To the fullest extent permitted by the law, Independent Investment Research and any of its officers, employees, agents, consultants or related bodies corporate disclaim any liability, whether based in contract, tort, strict liability or otherwise, for any direct, indirect, incidental, consequential or special damages arising out of or in any way connected with the use of any Content made available on this web site by any person or entity.

(f) No Warranties

Independent Investment Research does not make any claims, promises, guarantees, representations or warranties regarding the accuracy, completeness or fitness for purpose of the Content made available on this web site. All information on this web site is provided to you on an as is basis, without warranty of any kind either express or implied. To the extent that research can be provided by third parties, Independent Investment Research makes no warranty or representation as to the accuracy or completeness of such information displayed on this site, and accepts no liability for errors or omissions arising from such third party information. To the fullest extent permitted by law, under no circumstances will Independent Investment Research be liable for any loss or damage caused by users reliance upon information obtained through this web site. It is the responsibility of the user to evaluate the accuracy, completeness or usefulness of any information, opinion, general advice or other content made available through this web site. Furthermore, Independent Investment Research does not warrant or represent that this web site is error free or free from viruses or defects. A user must do all that is necessary (including using virus checking software) to satisfy itself that accessing this website will not adversely affect its system.

For further information, please contact IIR at: client.services@
independentresearch.com.au

Independent Investment Research (Aust.) Pty Limited

SYDNEY OFFICE
Level 1, 350 George Street
Sydney NSW 2000
Phone: +61 2 8001 6693
Main Fax: +61 2 8072 2170
ABN 11 152 172 079

MELBOURNE OFFICE
Level 7, 20–22 Albert Road
South Melbourne VIC 3205
Phone: +61 3 8678 1766
Main Fax: +61 3 8678 1826

HONG KONG OFFICE
1303 COFCO Tower
262 Gloucester Road
Causeway Bay, Hong Kong

DENVER OFFICE
200 Quebec Street
300-111, Denver Colorado USA
Phone: +1 161 412 444 724

MAILING ADDRESS
PO Box H297 Australia Square
NSW 1215