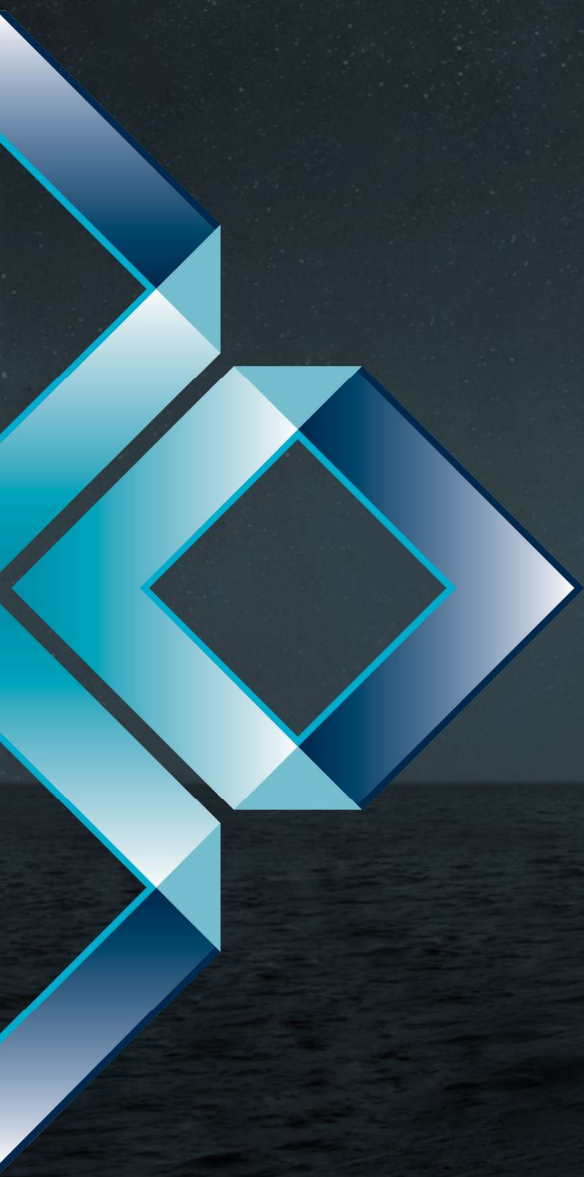


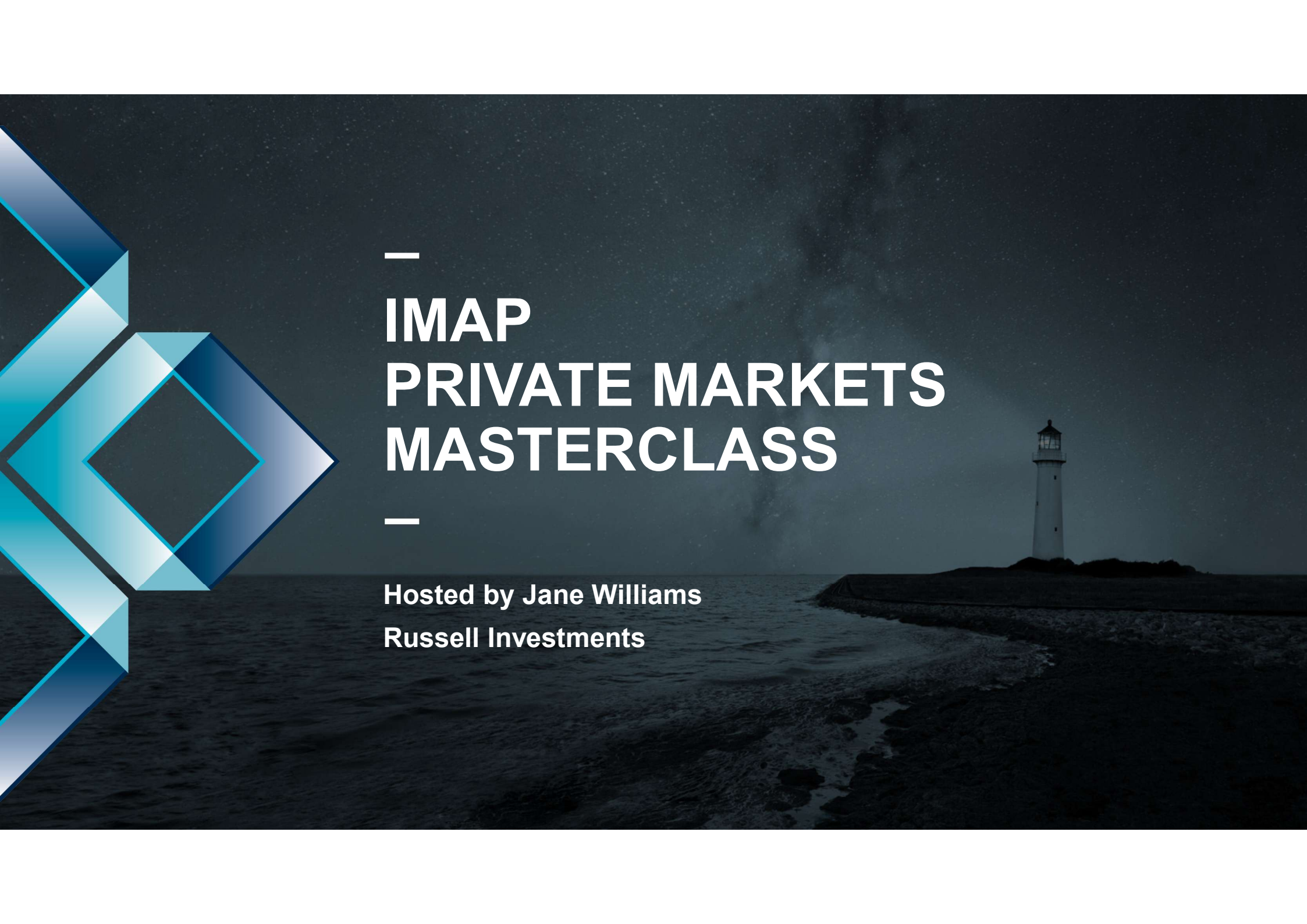


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IMAP PRIVATE MARKETS MASTERCLASS

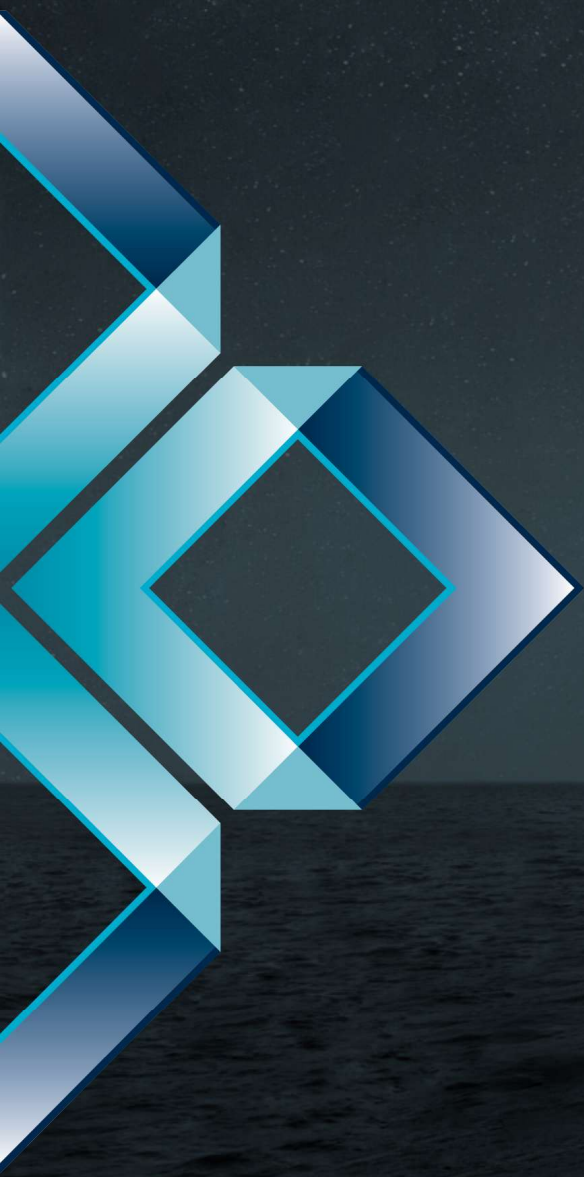
—

Hosted by Jane Williams
Russell Investments



SCAN BELOW FOR SLIDES





—

Jane Williams Russell Investments

—

WHO WE ARE

Proven excellence in Private Markets

RUSSELL INVESTMENTS IS A LEADER IN BESPOKE SOLUTIONS AND PRODUCT STRUCTURING

50 years of excellence in private markets

\$22.4bn

Alternative Assets
Under Management

50+ yrs

Experience in
private markets

100+

Funds invested
in the last 5 years

20+ yrs

Average industry
experience

77

LPAC Advisory
Board seats

CAPABILITIES

- Infrastructure
- Credit
- Equity
- Real estate
- Impact
- Co-investments
- Primaries
- Secondaries

INVESTMENT DUE DILIGENCE

Private Markets
products monitored¹

8,980

Investment products
continually researched²

503

High interest products³

315

Investment products
with "buy" rank⁴

117

OPERATIONAL DUE DILIGENCE



Research

Our preparation process to coordinate:

- Investment Research
- Documentation inventory and check
- Meeting Scheduling



Review

Review and sign-off of all documentation by:

- Operations
- Compliance
- Legal



Onsite

Interviews and onsite meetings to review:

- Manager reputation
- Process controls
- Reference interviews

Source: Russell Investments, as of 31/12/2024. Not all funds may be open/available for investment. ¹ Pitchbook data. ² RADAR data as of January 2025 and accounts for ranks which have been established since January 2020. Not all funds may be open/available for investment. For illustrative purposes only. There is no guarantee that Russell Investments will identify underlying managers that provide attractive returns or avoid losses. Investment Products Monitored is the total number of Private market products listed in the database. Investment Products Researched is the number of Private market products in the database with an offering where Russell Investments has applied a defined rank (1, 2, 3, 4, A, B, C, D). High Interest Products is the number of Private market products in the database with an offering with a Hire (4), Retain (3) or High Interest (A) rank. Investment Products with Buy Rank is the number of Private market products in the database with an offering status with a Hire (4) rank.

OUR EXPERIENCE

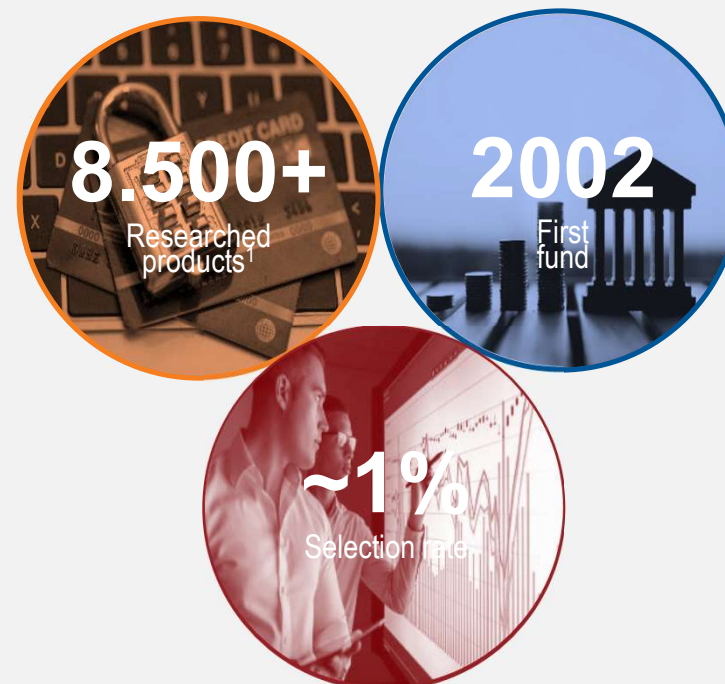
Private Markets

CAPTURING THE FULL SPECTRUM OF THE INVESTABLE UNIVERSE

Full spectrum of the investable universe:

Expand to a larger universe of investments that seeks to invest in unlisted assets with potential for growth and income across:

- ❖ Private Equity:
 - › Buyout
 - › Venture Capital/Growth
 - › Co-Investments
 - › Secondaries
 - › Distressed
- ❖ Private Debt
- ❖ Infrastructure
- ❖ Real Estate
- ❖ Impact



Past performance is not a guide to future performance.

Source: Russell Investments. 1.Pitchbook data, including all funds currently seeking capital and those closed between July 2018 and June 2024. For illustrative purposes only. The logos presented are not selected based on performance of the applicable company or sponsor to which they pertain, but instead to illustrate managers and / or portfolios of companies that are indicative representations of the thesis / theme or trend discussed. In Russell Investments' opinion the logos selected were generally the most applicable examples. All rights to the trademarks and / or logos presented herein belong to their respective owners and Russell Investments' use does not imply an affiliation with, or endorsement by, the owners of these logos. Managers presented are meant to reflect the diversity of strategy available for portfolio implementation. There is no guarantee that managers presented will be included in a client portfolio. Internal Rate of Return (IRR) can overestimate the potential returns of a project or future investment by making the Net Present Value (NPV) equal to zero.

*Core refers to investment in infrastructure strategies and assets in which income is generally expected to comprise a majority of the total return, typically in open-end fund structures. Source: Confluence, as at June 30, 2024. Composite inception – 1 July 2010.

OUR EXPERIENCE

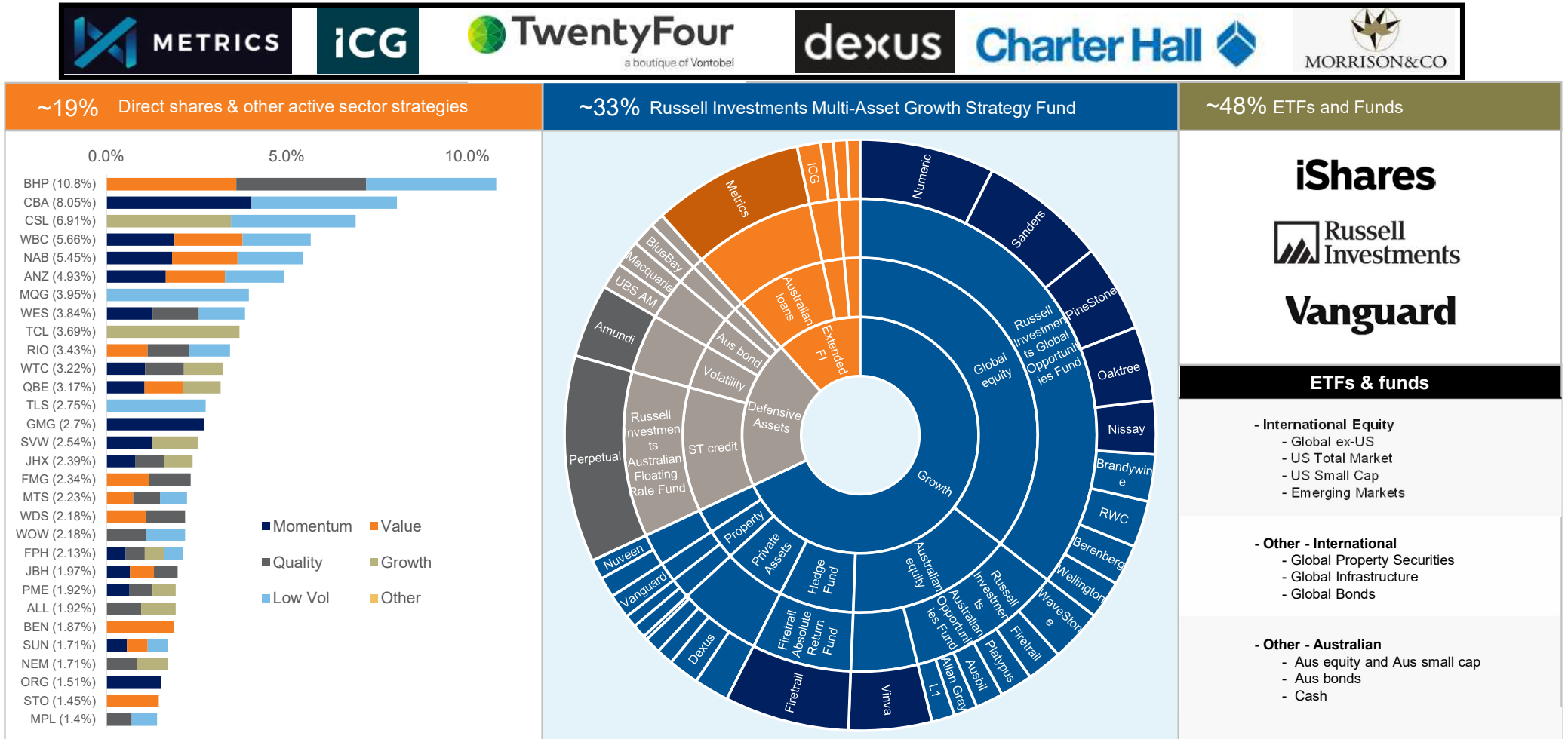
Expansive relationships

BOUTIQUE AND SPECIALIST SKILLS ACCESSED ACROSS THE PRIVATE MARKETS' UNIVERSE

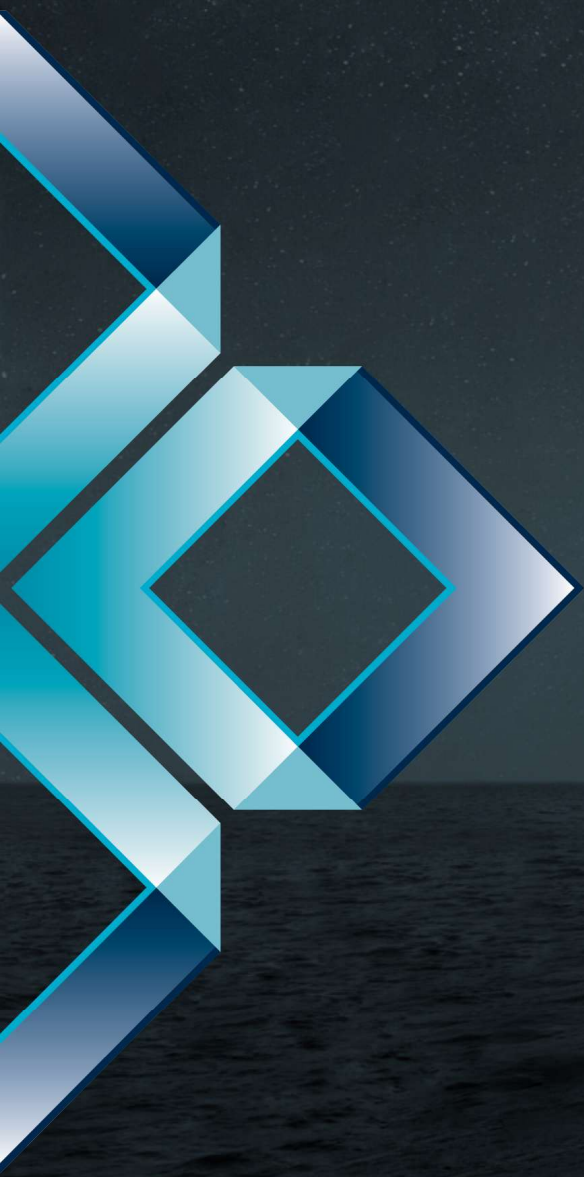


Source: Russell Investments. For illustrative purposes only. Any reference to specific money managers should not be taken as a recommendation. Money managers are subject to change. The logos presented are not selected based on performance of the applicable company or sponsor to which they pertain, but instead to illustrate managers and/or portfolios of companies that are indicative representations of the thesis/theme or trend discussed. In Russell Investments' opinion the logos selected were generally the most applicable examples. All rights to the trademarks and/or logos presented herein belong to their respective owners and Russell Investments' use does not imply an affiliation with, or endorsement by, the owners of these logos.

Russell Investments Balanced Managed Portfolio



Source: Russell Investments. Data as at 30 September 2024 for Russell Investments Balanced Managed Portfolio. Past performance is not a reliable indicator of future performance. Performance results are net of management fees for both the Managed Portfolio and the underlying managers' fees and costs. They assume income received is reinvested without any tax deduction. An individual investor's performance will differ from the performance shown above depending on a range of factors. Refer to the Important Information and Disclosures slide for full details.



—

Matt Waugh Centric

—





IMAP

Private Markets Masterclass

March 2025

support@centricwealth.com.au [1300 223 687](tel:1300223687) centricwealth.com.au

Specialised Private Capital Ltd (ABN 87 095 773 390, AFS Licence No. 246744)

Disclaimer

SPC Disclaimer

Specialised Private Capital Ltd (ABN 87 095 773 390, AFS Licence No. 246744) trading as Centric Capital (Centric Capital) is part of Findex Group Limited (ABN 40 128 588 714). Centric Capital is the operator of the investor directed portfolio service (IDPS) known as “Centric”, and the sponsor, promoter and investment services provider for the Centric Super Fund (ABN 91 593 544 166, RSE Registration Number R1078619). Equity Trustees Superannuation Limited (ETSL) (ABN 50 055 641 757 AFSL 229757, RSE Licence Number L0001458) is the trustee of the Centric Super Fund (read more about Equity Trustees Superannuation Limited on their [website](#)). For more information about Centric Capital, including our Financial Services Guide and disclosure documents, click [here](#).

Any factual information or general advice in this email has been prepared without taking into account any personal objectives, financial situation or needs. Before you act on any information in this email you should seek specific advice that considers your personal circumstances. Investors should also read the relevant disclosure document before making any investment decisions, copies of which can be obtained by visiting centricwealth.com.au or by calling 1300 223 687. A copy of the target market determination for Centric and Centric Super can be located at centricwealth.com.au/ddo.

Past performance is not a reliable indicator of future performance.

MDA Investment Ecosystem

Investment committee

1

Independent Vote 37.5%

Adviser Members Vote Allocation 37.5%

Management Members Vote Allocation 25%

Findex Investment and Asset Allocation Committee FIAAC (Quarterly AA, House View and APL as required) Chairman (Quarterly AA, House View and Non Voting)



FIAAC Chair
Dr Joe Collins

Independent Members



Emmanuel Calligeris



Tony Breen

Adviser Members



Jo Potts



Matt Swiecone



Ian Clark



Jonathan Scholes

Other Members



CIO
Kieran Canavan



Findex Investment Team
Matt Waugh



Risk and Compliance
Michael Doucas



Head of Client Wealth
Management
Jamie Irvine



Asset allocation



Portfolio
construction



Investment
selection



Approved
Investments

Asset consultants

2

Primary Consultant

BCQ Research

Secondary / Specialist Consultant

J.P. Morgan Markets

Goldman Sachs | Economics Research

Strategic Asset Allocation

STATE STREET GLOBAL ADVISORS

Investment team

3

Model and Investment Functions

SAA, TAA - Aus & NZ	MDA Portfolio Construction - Aust & NZ	Investment Reporting, Monitoring, Performance Reporting	Funds Management - research, selection & monitoring - Aus & NZ	Direct Equities Models - Australia
Advice	Governance and Oversight			
Findex adviser and client workstream	Governance & IC. NZ, FIAAC and Centric IC.	Policies and procedures	Intra Quarter IC and Rebals	NEW Reg & Compliance - APRA and Trustee Reporting
	Centric APL	Funds Management Support		
	IFA on-boarding and IFA funds onboard, reporting	PDS typesetting & coordination including DDC supported by marketing	Product Owner Communications - All funds. Platforms, IC, website docs, disclosure docs	

MDA Portfolios

Translate objectives into strategic asset allocation



Design IPS and Capital Market Assumptions



CAPITAL
MARKET
ASSUMPTIONS



ESTABLISH
OBJECTIVES &
LIQUIDITY
CONSTRAINTS



STRATEGIC
ASSET
ALLOCATION
FRAMEWORK

Access exposures through a combination of quality external fund managers and bespoke institutional quality strategies



Portfolio Construction



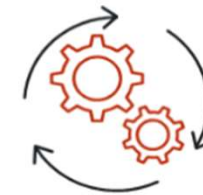
TACTICAL
ASSET
ALLOCATION
FRAMEWORK



MANAGER
RESEARCH



BUILD TARGET
PORTFOLIO



Dynamically adjust to changing circumstances / markets and manage additional capital inflows

Ongoing Management and Reporting



FORWARD
MARKET
ASSUMPTIONS

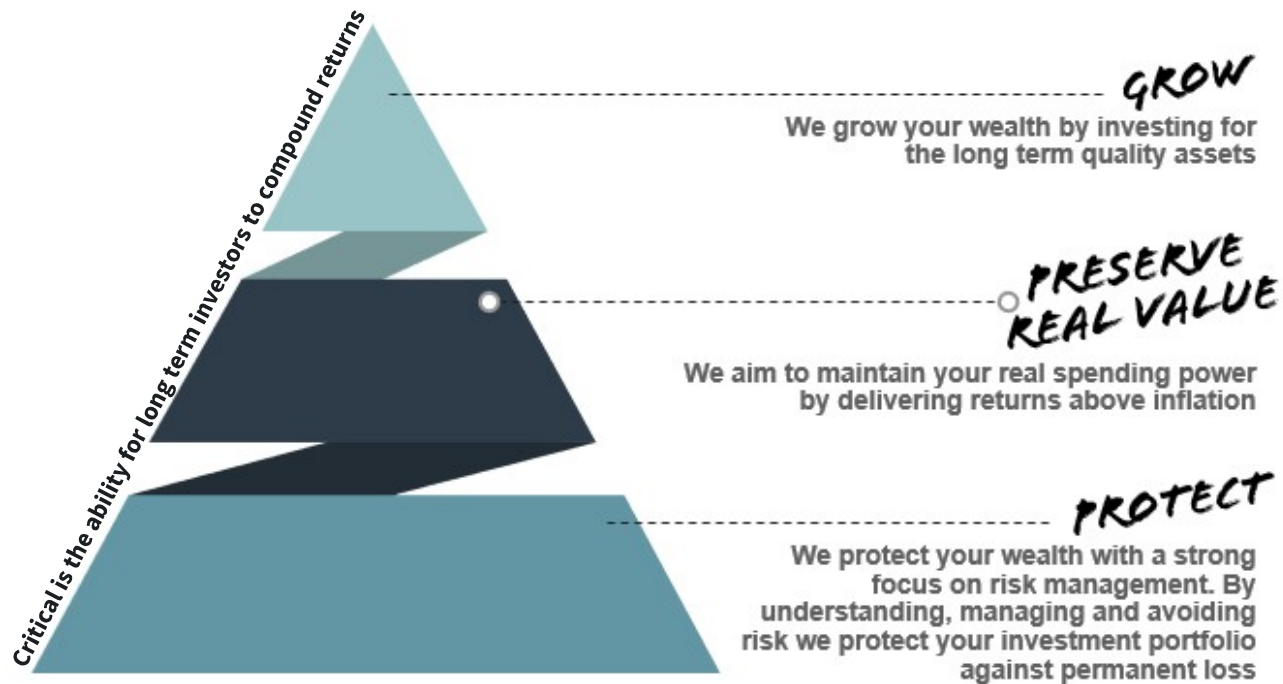


PORTFOLIO
ANALYTICS



IMPLEMENTATION
AND REBALANCING

What are we designing portfolios to achieve



When constructing portfolios, we believe it is critical to distinguish between willingness to take risk and ability to take risk.

Investors should not be exposed to capital falls from which they cannot recover.

Key focus areas:

- Capital security
- Ability to compound
- Real v Nominal returns
- Risk management
- Liquidity
- Risk v reward

Alternatives a growing market

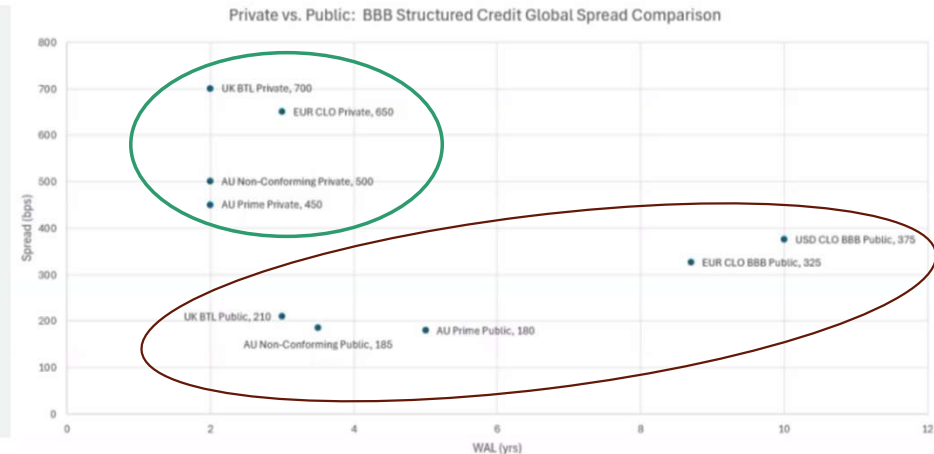
Globally Alternative asset market are expected to pass \$17 trillion this year

From an Australian perspective the market has exceeded \$1.5 trillion with significant growth over the last 5 years in data centers, infrastructure and renewables.

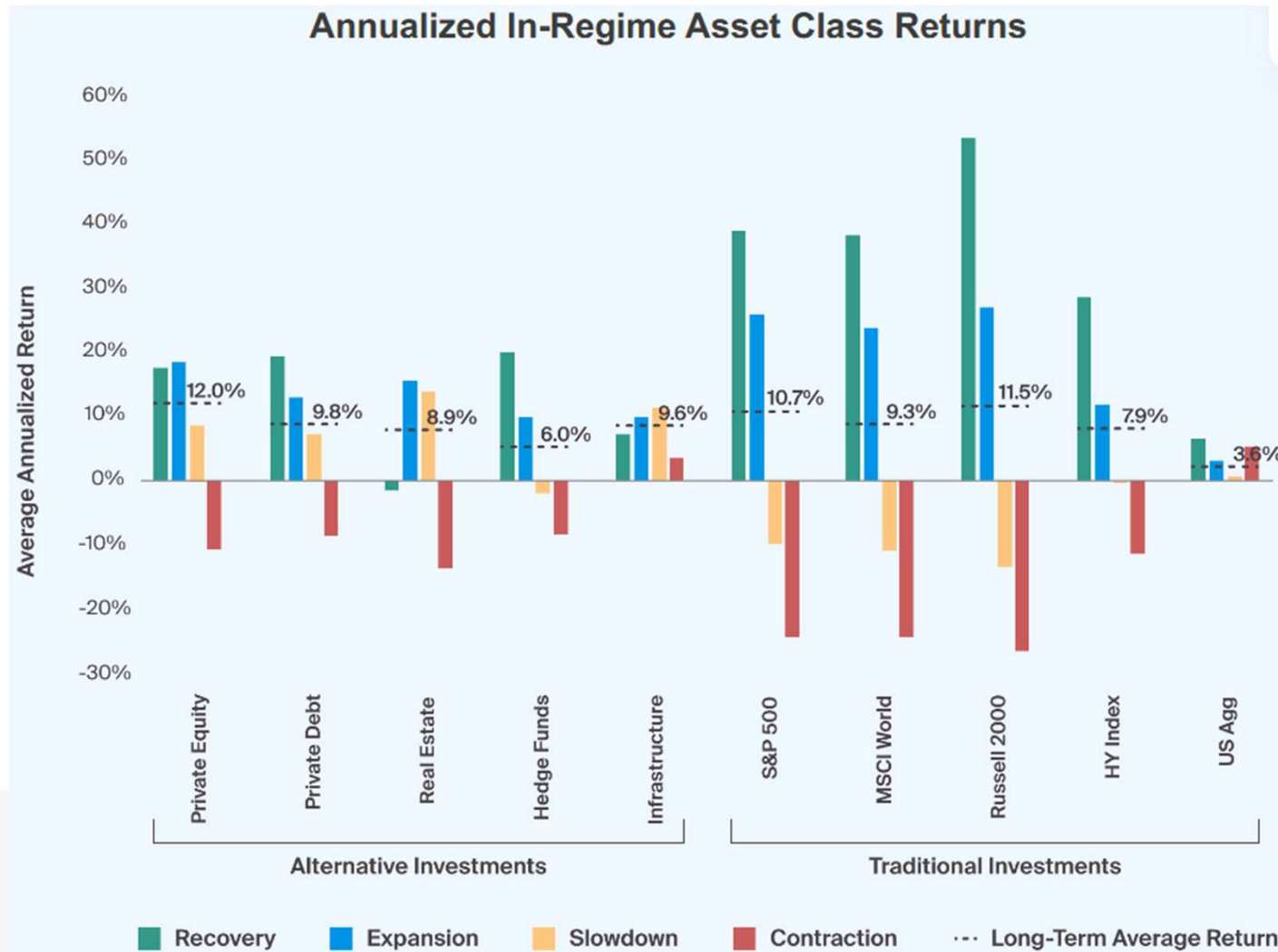
Private credit has quadrupled globally over the last decade exceeding \$2 trillion. Locally Private credit has also seen significant growth especially through the last 3 years. Current estimates put the value domestically at \$205 Billion (December 24)



Source: A&M data and analysis



Why do Alternatives Matter for your Portfolios?



Alternative vs Traditional Investments under different market regimes

The dispersion in returns in traditional asset classes across regimes is much larger than alternative asset classes.

Alternatives tend to have more stable returns.

Alternatives outperform in slowdown/contractions and keep up with the market in recoveries and expansions.

Source: Preqin.

Benefits and Risks of Alternatives

Benefits of investing in Private Markets

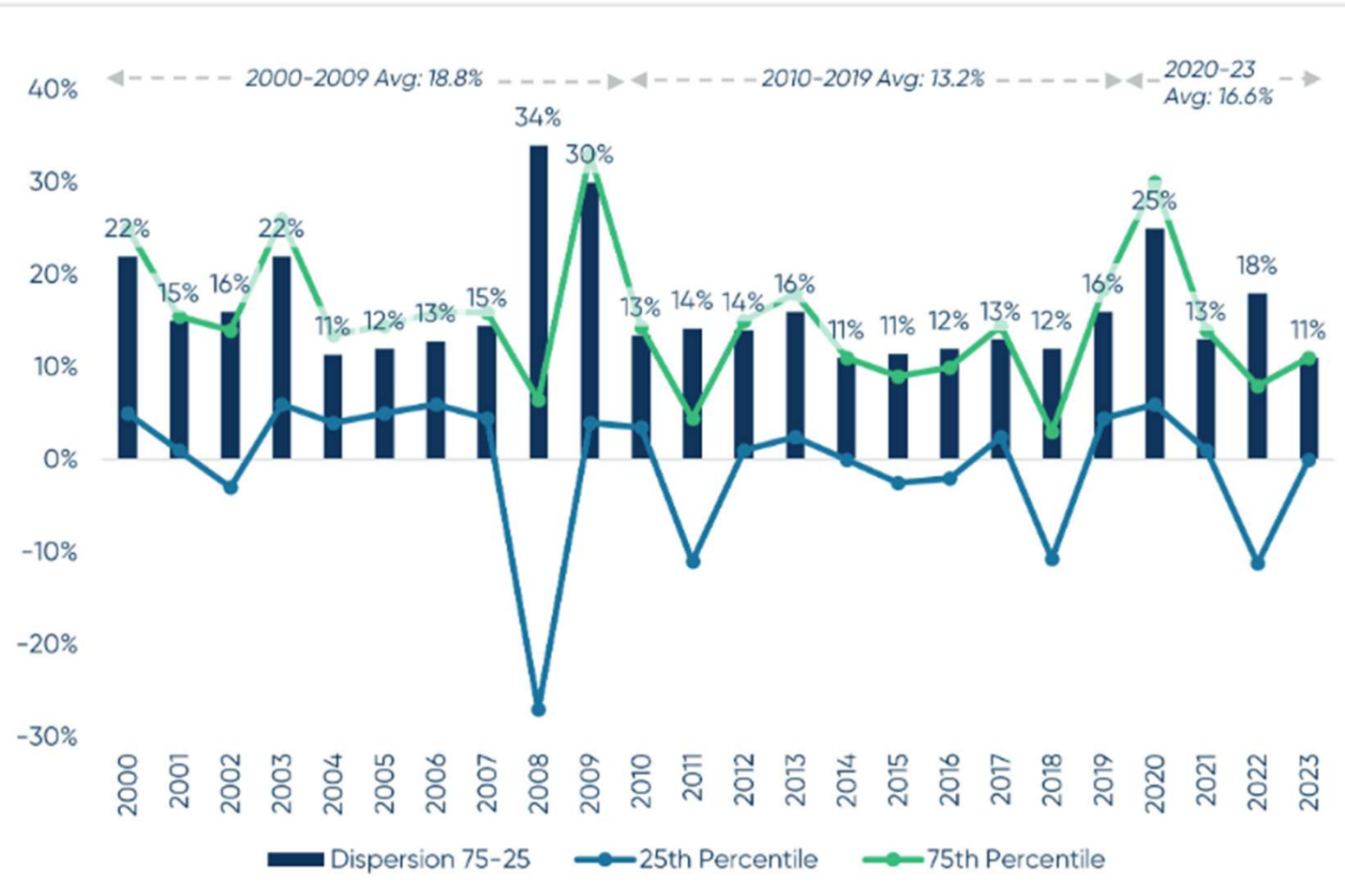
- Illiquidity premia
- Lower Volatility than traditional markets
- Less correlated with public markets – dependent to vehicle type as well
- Broader investment opportunities
- A larger number of companies are staying private, provides for structural tailwinds

Risks of investing in Private markets – requires increased DD

- Similar market risks to public markets (currency, country, sector, concentration risks etc.)
- Key difference to call out is the Valuation Risk (strong governance is key) and complexity of underlying assets and structures
- Potential mismatch between less liquid nature of the investments and liquidity requirements of clients (structuring is key), together with clear understanding of the client needs and the benefits / drawbacks of various structures.

Why manager selection is important, especially in Alternatives

Hedge Fund Performance Dispersion: Returns for 25th and 75th Percentiles and Inter-Quartile Spread



With an average performance differential between the top 75th and bottom 25th percentile of about 16% p.a. since 2000, having a good investment partner in Alternatives matters.

It matters even more during periods of market stress:

22% differential in 2000 (Dotcom)

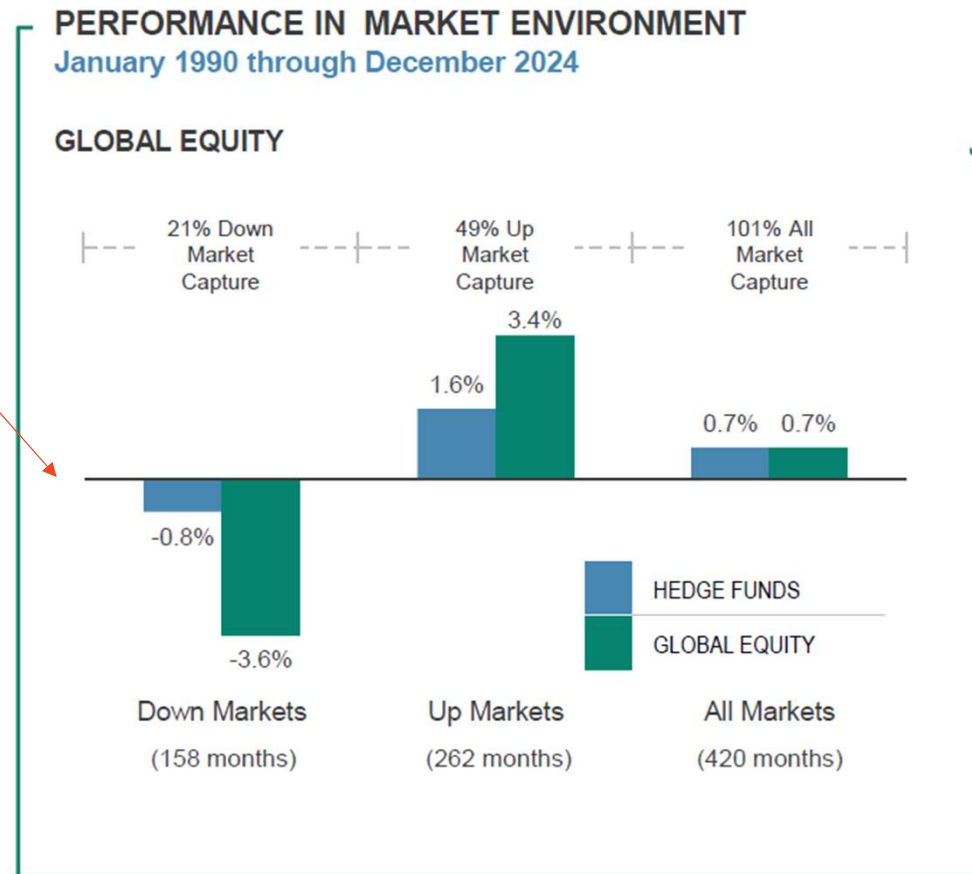
30-34% differential during the GFC

25% differential in 2020 (Covid)

Source: TIFF.

Benefits of Alternatives - Historical preservation of capital in down markets

Hedge funds should enable investors to navigate and take advantage of market dislocation when there's economic uncertainty.



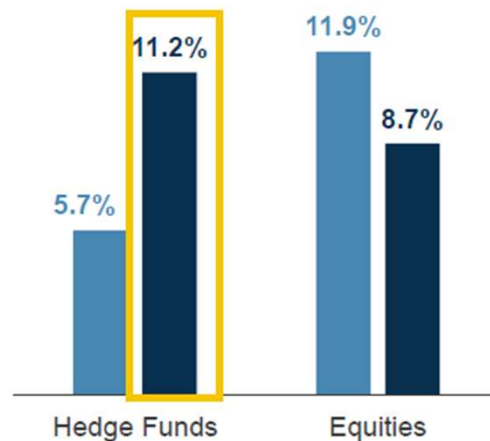
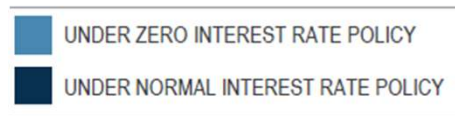
Hedge funds offer a variety of opportunities to grow wealth over time

Source: GCM Grosvenor. **Past performance is not necessarily indicative of future results.**
"Hedge funds" represented by HFRI Fund Weighted Composite Index; "Global equity" represented by MSCI World Index.

Non-Zero Rates are a Tailwind for Alternatives, in particular Hedge Funds

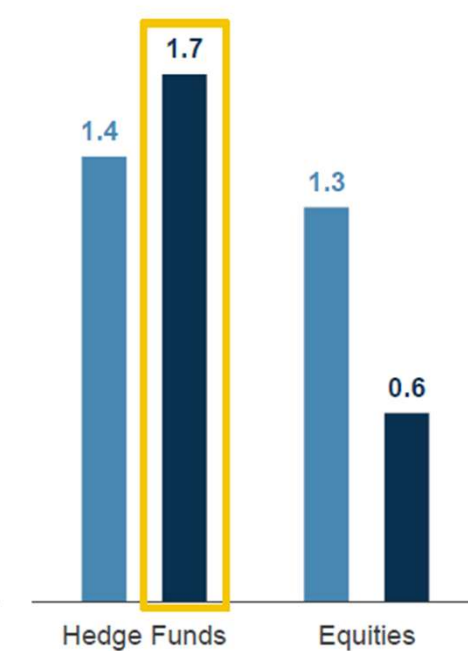
ANNUALIZED RETURNS

1990-2024



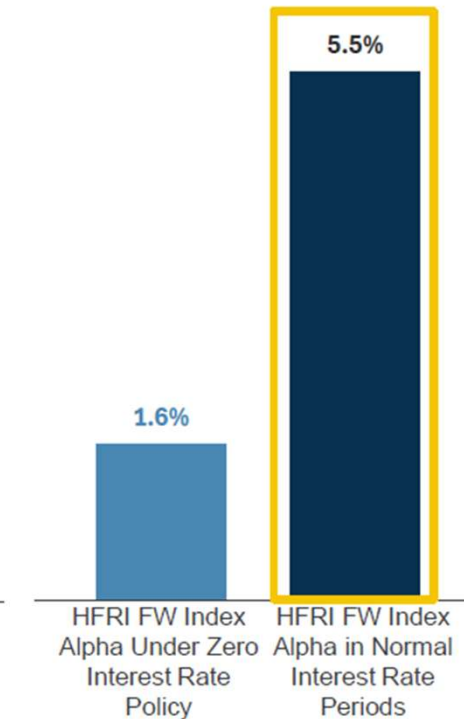
SHARPE RATIO

1990-2024



ANNUALIZED RETURNS

1990-2024



Hedge funds can deliver strong absolute and relative performance to equities (and bonds) under different interest rate regimes.

Source: GCM Grosvenor. Data as of December 31, 2024. Zero interest rate policy is defined as a period where the effective federal funds rate is less than 50 basis points, normal interest rate policy is defined as all periods where the effective federal funds rate is greater than 50bps. Hedge Funds represented by the HFRI FW Index, Equities represented by the MSCI World Index. **Past performance is not necessarily indicative of future results.**



Findex's journey into Alternatives

Retail & Wholesale clients

support@centricwealth.com.au [1300 223 687](tel:1300223687) centricwealth.com.au

Specialised Private Capital Ltd (ABN 87 095 773 390, AFS Licence No. 246744)

What is the Findex Alternative Investment Program?

We constantly seeking complementary strategies that improve the risk and return characteristics of client portfolios.

The bottom line is:

The **Alternative Investment universe is vast and complex and managing an effective mandate in this space requires significant resources with specialist expertise.**

Findex has therefore established an Advisory relationship with two leading global Managers in the Alternative Investment sector, GCM Grosvenor and Wellington that fulfil these requirements. Findex also has satellite alternative exposure through other asset classes, including private debt, VC and direct property.

The Findex Alternative Investment Program segments our exposure to this sector in two categories – via customised vehicles;

1. Defensive Alternatives (Wellington Management);
2. Growth Alternatives (GCM Grosvenor)

Both Grosvenor and Wellington have decades of experience in building alternative portfolios. Growth Alternatives research commenced in 2015 with fund seeded in 2018 (\$300M+ - now over \$700M). On the back of our experience, we launched Defensive Alternatives in mid-2023 with Wellington (\$300M).

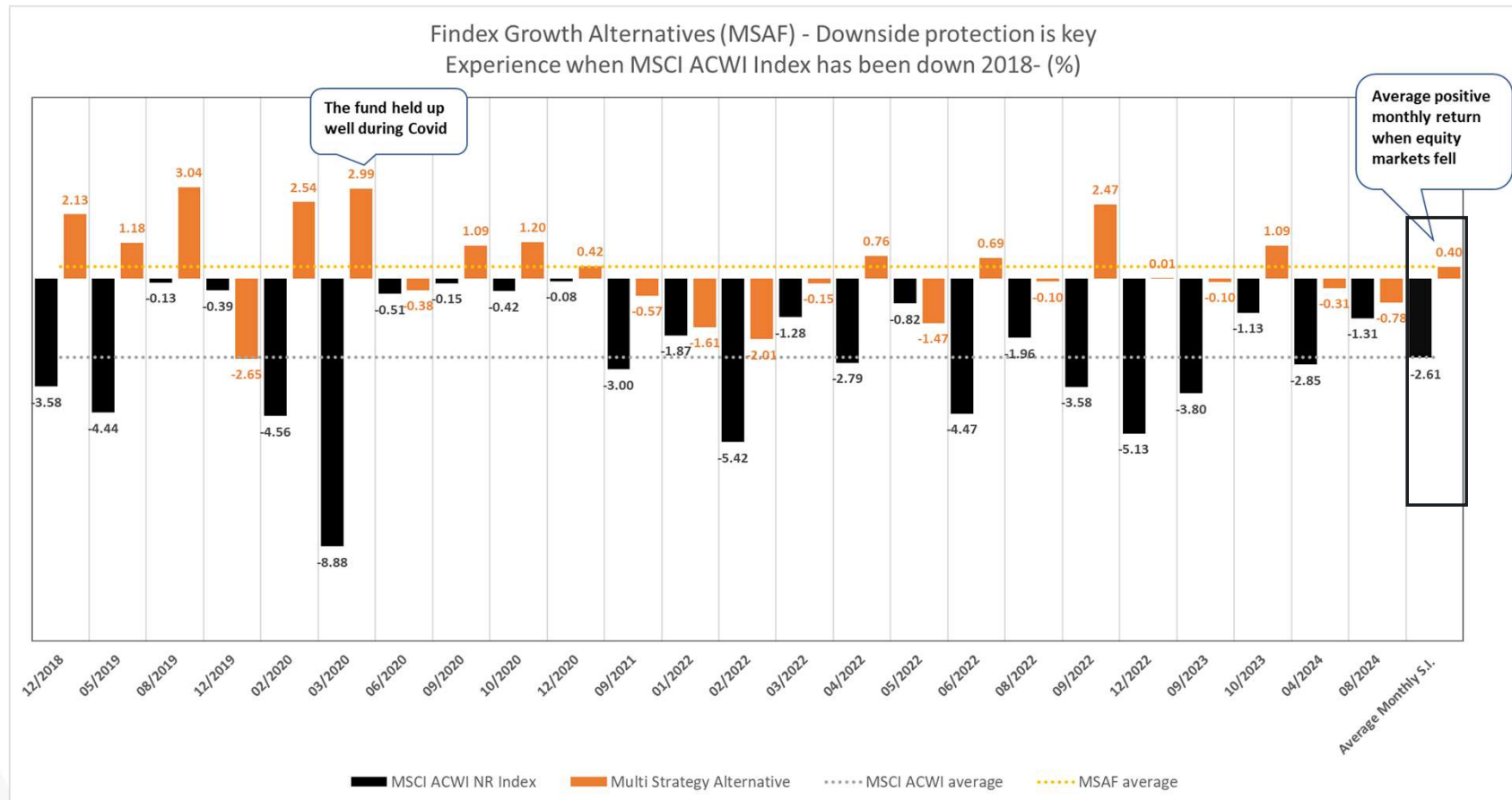
Guidelines	Defensive Alternatives	Growth Alternatives
Alpha Target (Net of Fees)	Absolute Return 4% p.a.	Absolute Return 6% p.a.
Volatility Target	<6%	<8% (half of equity market)
Liquidity	Max. Monthly	Max. Monthly
Reference Benchmark	4% or T-bills	HFRX Equity Market Neutral Index (Reference index only)
Correlation to traditional asset classes	Low	Low
Beta to traditional asset classes	Beta to MSCI World <0.4 Beta to Global Agg <0.4	Beta to MSCI World <0.4 Beta to Global Agg <0.4
Number of underlying Funds	Minimum 5	Minimum 8
Max allocation to one Fund	35%	20%

Let's look at a few examples of the value our Alternative allocations have brought to our portfolios ...

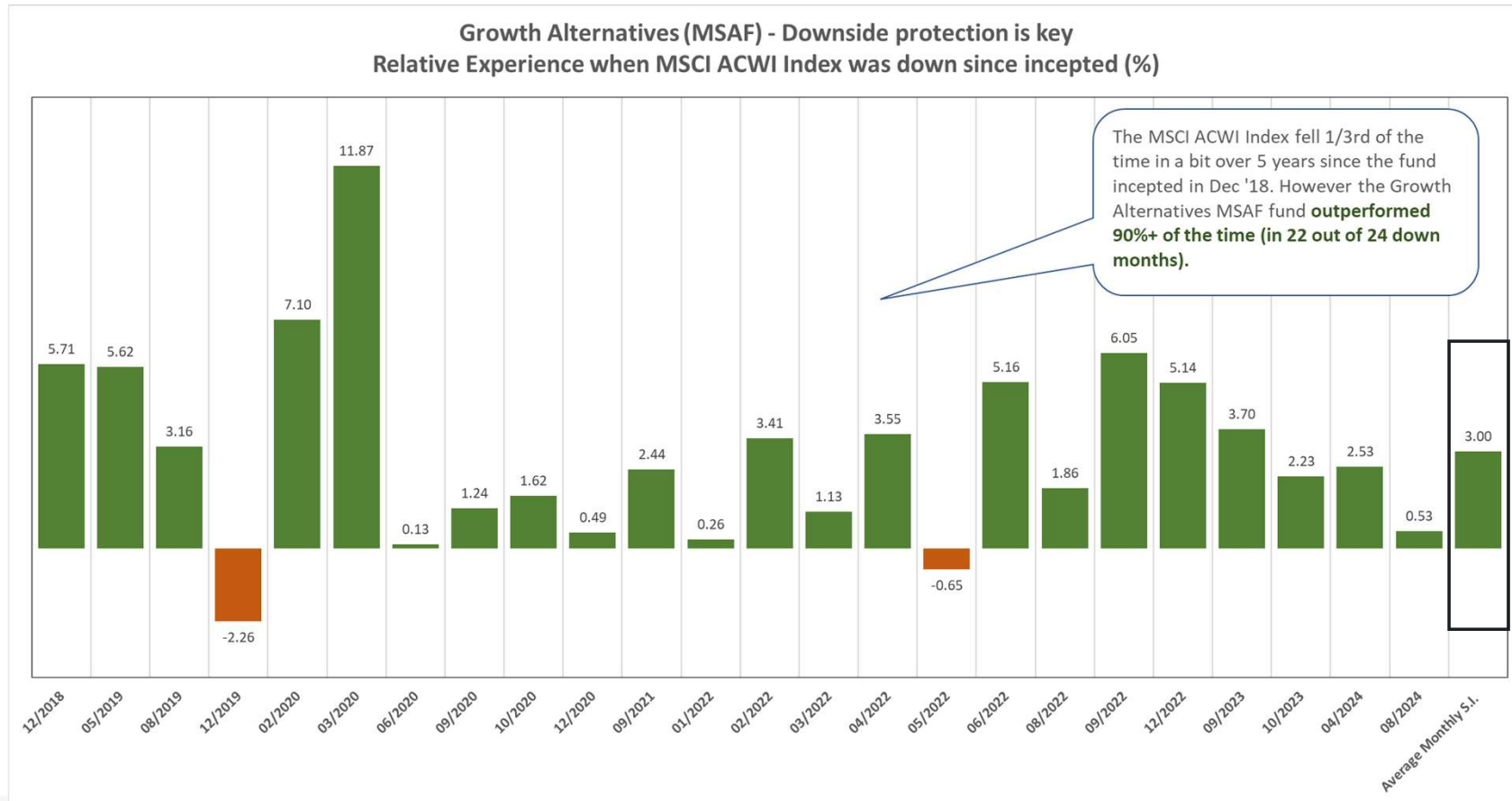
Why are Alternatives important to multi-asset investors like us?

Downside protection. Helps to dampen volatility. Diversification and correlation benefits. Source of a differentiated stream of returns.

Multi Strategy Alternative Fund (MSAF) – bespoke growth alternatives built with Grosvenor. Australian fund inception in 2018.



Relative performance of Growth Alts when ACWI was down



How MSAF compliments a traditional 60/40 portfolio

GN0

Since Common Inception (01 Dec 2018)	Return (Annualised)	Max Drawdown	Std Dev (Annualised)
Simulated Portfolio with Alts*	8.27	-9.53	6.46
Simulated Portfolio without Alts**	8.20	-12.28	8.43

* 22.5% ASX300, 22.5% MSCI ACWI, 15% AusBond Composite, 15% Global Agg, and 25% MSAF1

** 30% ASX300, 30% MSCI ACWI, 20% AusBond Composite, and 20% Global Agg



Slide 24

GNO

Let's also add a risk/return chart ?

Gabriel Neacsu, 2025-03-08T01:21:41.864

Underlying managers and strategies – exposure to private credit

Warehousing

Where do warehouses sit in private debt?

Warehousing has advantages over other private debt:

- ▶ Shorter-dated
- ▶ More diversified
- ▶ Higher rated, less expected default risk
- ▶ Lower valuation risk

Australian private debt with 300bp+ margin			
	Corporate	Real estate	Warehouses
Usual borrower type	- PE led LBO borrowers with significant gearing - SME unable to access bank lending	- Construction loans – apartment, townhouses, houses - Land subdivision loans	Nonbank originators – mortgages, auto loans, personal loans etc
Usual expected maturity	5-7yr	1-2yr	1yr
Investor driven early repayment*	Loan sale needs borrower consent	Loan sale needs borrower consent	- Loan sale to investor on 'approved transfer' list does not require borrower consent - ACFM refinanced ~45 warehouses during Covid
Valuation risk	Moderate to high	Low to moderate	Low
Average estimated rating	B / BB	B	BBB
Risk metric	3-6x debt/EBITDA depending on borrower size	60-80% LVR / 100% LTC	Average c10% subordination (min. subordination 2.5%-5% dependent on asset class)

Realm Strategic Income Fund

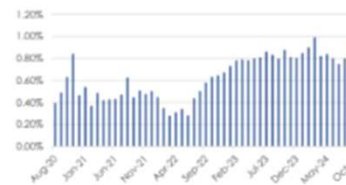
Defensive Alternative Income

Performance Net of Fees

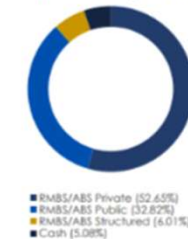
As at 31 October 2024	Enduring Units	RBA Cash Rate
1 Month	0.81%	0.36%
3 Month	2.56%	1.09%
6 Month	5.01%	2.16%
1 Year	10.58%	4.35%
2 Years p.a.	10.18%	4.00%
3 Years p.a.	8.52%	2.92%
Since Inception p.a.	7.55%	1.92%

* Enduring Units Inception 21 Feb 2020
* 2019-1 Units Inception 22 June 2018 (re-classified to Enduring Units, Nov 2021)

Monthly Net Performance



Portfolio Composition



RBA + 4.75% p.a. (net)

Distribution frequency: Quarterly
Applications: Monthly
Pricing & Reporting frequency: Monthly
Enduring Units: AUD \$1.98 billion
Buy/Sell: 0.20%/0.00%
Liquidity: Monthly - up to 10%
Management Fees (Net of GST):
Enduring Units – 0.99%
Platform Availability
AMP North, Australian Money Market, BT
Panorama, CFS Edge, Expand, Hub24,
Macquarie Wrap, Netwealth, Powerwrap,
Premium, Xplore Wealth

Fund Statistics

Running Yield	9.85%
Yield to Maturity	9.57%
Volatility	0.22%
Interest Rate Duration	0.05
Credit Duration	1.23
Average Credit Rating	BBB
Number of positions	514
Average position exp.	0.19%
Worst Month*	0.28%
Best Month*	0.99%

* Calculated on Enduring Units unless otherwise stated. *Since Inception 21 February 2020. *Rolling 12 Months Calculated on Monthly observations.

Wholesale client offerings

PE

OBJECTIVES FOR A 10 YEAR INVESTMENT WITH FULL REINVESTMENT OF ALL PROCEEDS

20-30

target number of
investments at full
investment

15%-17%

target net IRR¹

3.7x-3.9x

target net MOIC¹

4-6 years

average holding period per
underlying investment

Private Credit

OBJECTIVES FOR A 10 YEAR INVESTMENT WITH FULL REINVESTMENT OF ALL PROCEEDS

50+

target number of investments
at full investment

8-10%

target net IRR¹

2.1x-2.3x

target net MOIC¹

SEMI-ANNUAL

current yield distribution

Infrastructure

OBJECTIVES FOR A 10 YEAR INVESTMENT WITH FULL REINVESTMENT OF ALL PROCEEDS

30+

target number of
investments at full
investment

11%-13%

target net IRR¹

2.6x-2.8x

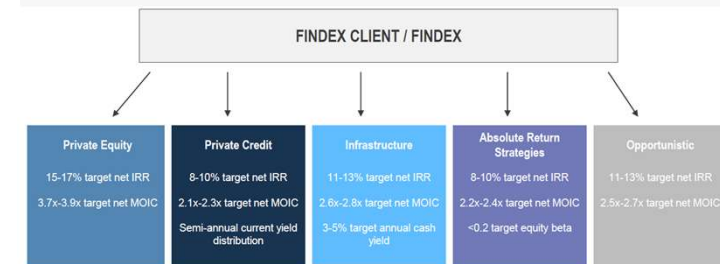
target net MOIC¹

3-5%+

per annum target
annual cash yield¹

Co-investment offering

Wholesale, Not for Profit, Family Office,
UHNW, Foundations and sub-Insto.



Wholesale client offerings

Infrastructure

INVESTMENT CASE STUDY

INFRASTRUCTURE

FLOGISTIX

Single-Asset
Secondary

GEOGRAPHY

North America

SPONSOR

White Deer

GCM GROSVENOR ROLE

Lead Investor

RISK PROFILE

Opportunistic

DATE OF FIRST INVESTMENT

February 2024

INVESTMENT SNAPSHOT

Flogistix (the "Company") is an industry leader in methane capture for the U.S. onshore oil & gas sector. The Company manufactures, sells, and leases vapor recovery units ("VRUs"), which capture methane at oil & gas production sites

INVESTMENT THESIS

- Flogistix is positioned to outperform the broader energy sector through benefiting from Sustainable Investing tailwinds and reduction emissions objectives
- Attractive entry valuation at a discount to comparable businesses
- Ability to generate returns through free cash flow with a combination of significant cash yield and deleveraging
- Flogistix benefits from a market-leading position in its sector

PARTNERSHIP

GCM Grosvenor invested in Flogistix alongside White Deer via a continuation vehicle, serving as the lead investor. White Deer has owned the Company since 2014, has overseen impressive growth, and will maintain active involvement in the Company

GCM GROSVENOR ADVANTAGE

- GCM Grosvenor successfully negotiated the acquisition at a 35% discount to NAV, materially increasing projected returns and de-risking the investment through a lower entry valuation
- Prior to conducting comprehensive due diligence, GCM Grosvenor secured exclusivity with White Deer, providing the deal team time to evaluate the investment opportunity in greater depth without risk of a competing offer being made
- GCM Grosvenor also negotiated to receive a board seat at the portfolio company level, and therefore will have a say in strategic decisions regarding the Company

SUSTAINABILITY AND IMPACT

- Flogistix contributes directly to the reduction of methane emissions through the application of its VRUs, its core business
- Overall land use for the Company's manufacturing activities is moderate
- Relative to other industries, it is not overly energy-intensive, does not create a high volume of waste, and does not require high levels of natural resources



Private Credit

INVESTMENT CASE STUDY

CREDIT

WORLD INSURANCE

IMPLEMENTATION

Co-Investment

INVESTMENT

1L Term Loan

INITIATION

2023

STATUS

Unrealized

OVERVIEW

Investment

First lien term loan at S+650 bps, 98.5 OID

Company

World Insurance is an insurance broker that specializes in personal and commercial insurance lines, employee benefits, financial and retirement services, and human capital management. Agents sell and renew insurance plans to end customers and collect a percentage of the annual insurance premiums. The Company does not take any balance sheet risk with respect to insurance claims. World also operates a wholesale brokerage, which acts as an intermediary between 3P retail brokers and insurance carriers.

APPROACH

This investment was proprietarily sourced through GCM Grosvenor's relationship with Charlesbank, a leading private equity sponsor and private credit investor. As World Insurance is a Charlesbank portfolio company, Charlesbank was able to reserve capacity for GCM Grosvenor in this first lien issuance, providing a unique access point as the transaction was not syndicated to the marketplace. GCM Grosvenor also benefitted from access to company data from Charlesbank's private equity team during the underwriting process, information that is not typically available to lenders in the normal course.

THESIS

Our conviction in this investment opportunity results from the following:

- World Insurance operates in an attractive and defensive industry with a long history of organic revenue growth through economic cycles.
- Highly diversified across carriers and end markets with no carrier accounting for more than 6% of written premium and no single industry exposure greater than 11%.
- Company will also benefit from rising P&C insurance rates, supporting revenue growth in an uncertain macro environment
- First lien term loan is well covered and, in our view, provides an attractive risk-adjusted return detaching at 7.6x 2022 Adj. EBITDA vs. public peers trading between 12-19x.
- A risk/return profile targeting a 15.1% levered net IRR and 1.3x levered net MOIC¹

PE

CASE STUDY

PRIVATE EQUITY

BDP INTERNATIONAL

NON-ASSET BASED, OUTSOURCED, LOGISTICS SOLUTIONS PROVIDER FOR CHEMICALS AND LIFE SCIENCES INDUSTRIES

Co-Investment



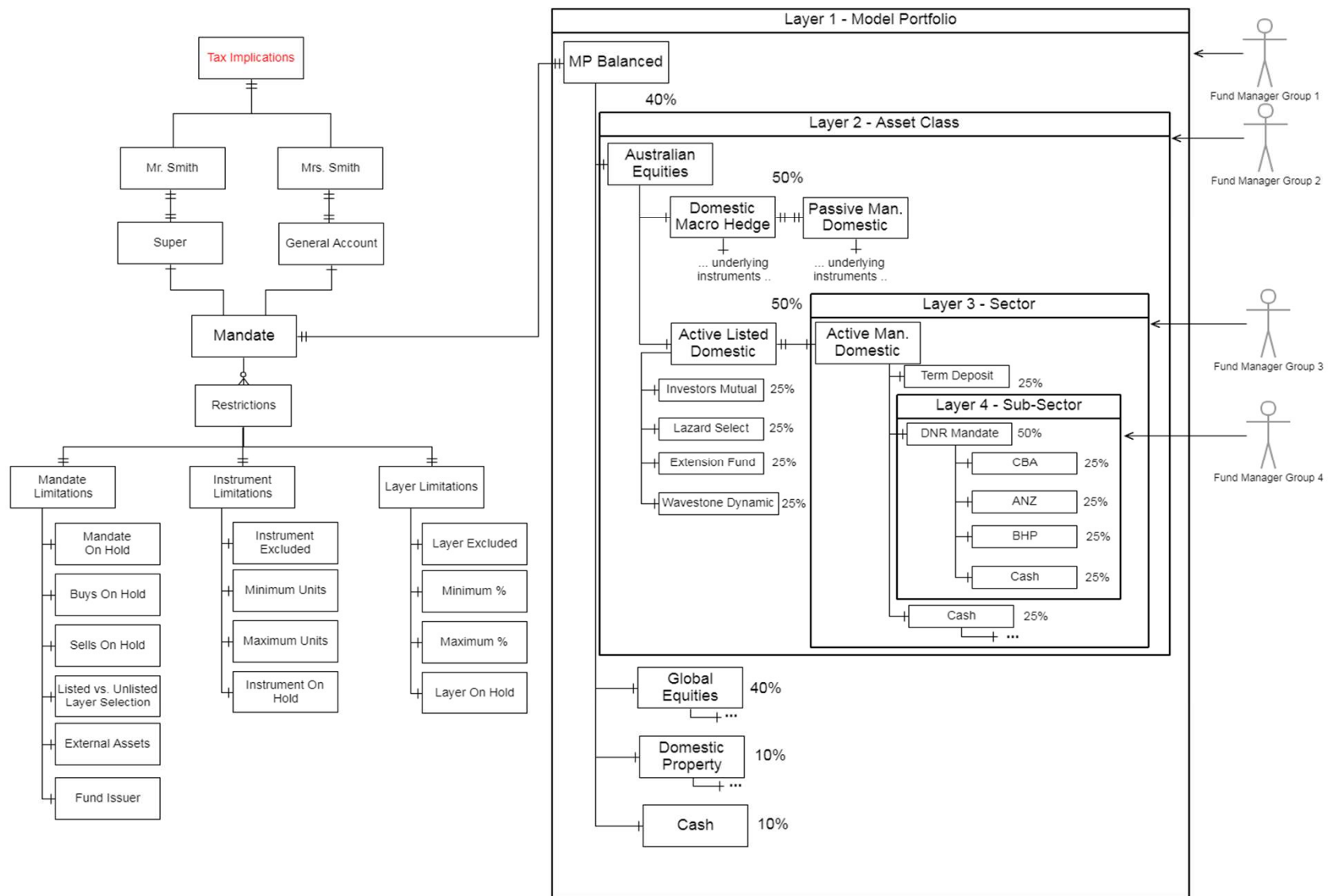
INVESTMENT SUMMARY		INVESTMENT HIGHLIGHTS / GCM GROSVENOR VALUE ADD
Investment Date	Sponsor	
November 2018	Greenbriar Equity Group	- Entrenched customer base serving 8 of the 10 largest chemical producers with regulation and compliance complexity servicing as natural barriers to entry for would-be competitors. - Global chemical market exhibits both stability and growth with BDP poised to benefit from significant investment in U.S. petrochemical production and the U.S.'s position as a low-cost feedstock provider. - As a family owned and operated business since inception, BDP exhibits operational and capital inefficiencies which represent significant opportunities for improvement. - Greenbriar had tracked the business for over a decade and preempted any sale process at attractive valuation. - Though not an LP at the time, GCM Grosvenor moved quickly to provide Greenbriar certainty of close and secured the deal fee and carry free.
Industry	Geography	
Industrials	North America	
Total Enterprise Value	Entry Net Debt	
\$520.0M	\$245.0M	
Entry EBITDA	Entry Valuation / Net Leverage	
\$55.0M	9.5x / 4.5x	
Total GCM Grosvenor Commitment	Deal Type	
\$38.6M	Middle-Market Buyout	



Thank you

[e support@centricwealth.com.au](mailto:support@centricwealth.com.au) [p 1300 223 687](tel:1300223687) [w centricwealth.com.au](http://centricwealth.com.au)

Specialised Private Capital Ltd (ABN 87 095 773 390, AFS Licence No. 246744)



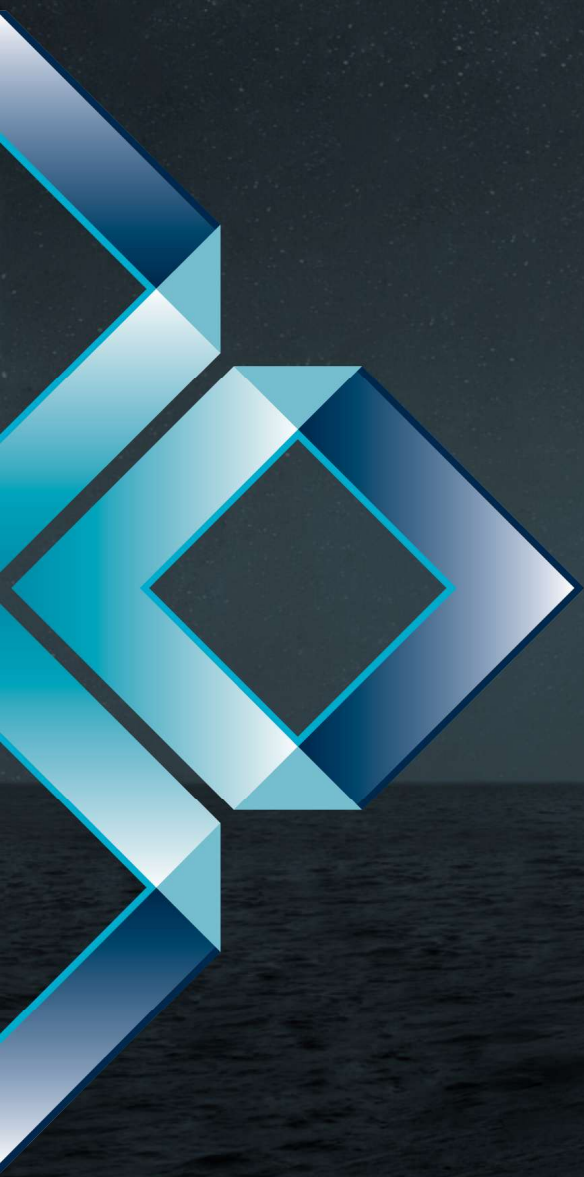


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Questions

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Nehemiah Richardson Pengana

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GLOBAL PRIVATE MARKET STRATEGIES IN DIVERSIFIED PORTFOLIOS



1

GLOBAL P.E RECAP

2

GLOBAL P.C RECAP

3

IMPLEMENTATION

4

CRITICAL QUESTIONS

1. GLOBAL P.E RECAP



KEY ISSUES



What's in the bucket ?



Significant Portfolio Enhancement



Barriers to Investing

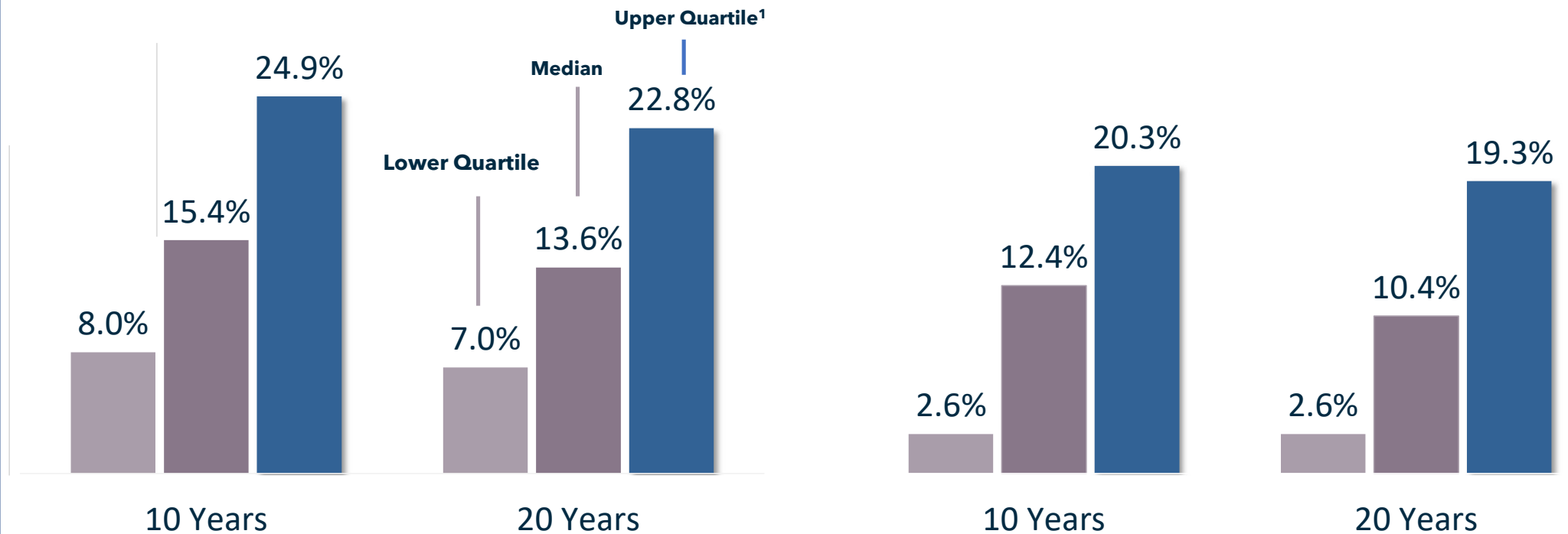
- Need diversification
- Identification of the best managers
- Due diligence
- Large minimum ticket sizes
- Difficult to get allocations

Quartile performance (net IRR) of private equity buyout funds¹

IMPORTANCE OF MANAGER SELECTION

North America²

Rest of World²

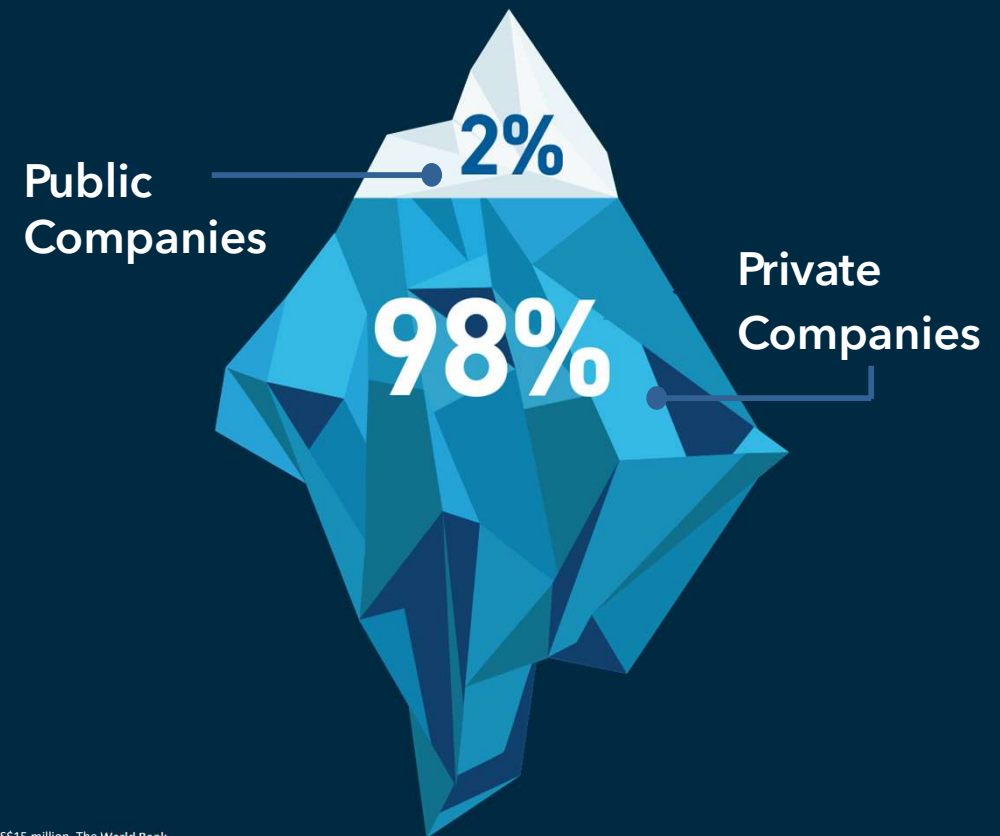
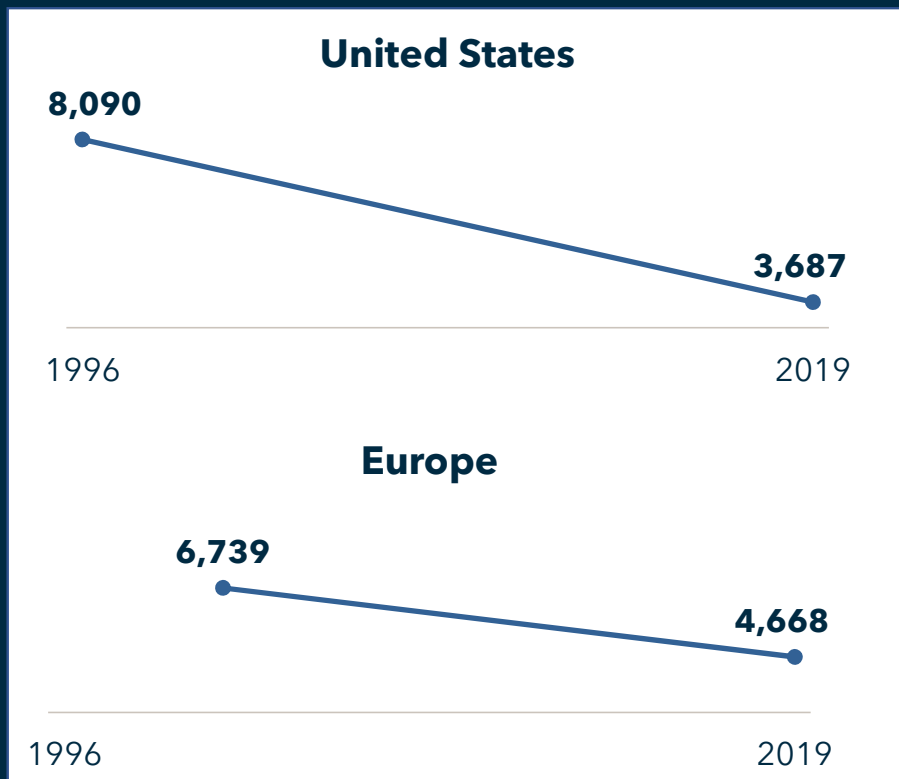


¹ For illustrative purposes only and does not necessarily reflect the size or type of deals to be completed by GCM Grosvenor.
² "North America" represents North American buyout funds in the Burgiss Manager Universe. "Rest of World" represents non-North American buyout funds in the Burgiss Manager Universe. Returns represent pooled net IRRs of a broad selection of buyout private equity funds formed since the beginning of each illustrated period and thereafter. Ten-year returns are for funds formed in vintage years 2011 to 2020 from 1Q 2011 to 4Q 2020 and twenty-year returns are for funds formed in vintage years 2001 to 2020 from 1Q 2001 to 4Q 2020.
 Source: BURGESS, based on published 4Q 2020 benchmark data as of June 14, 2021.
 No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily indicative of future results.

WHY DOES GLOBAL PE OUTPERFORM LISTED

- ✓ Illiquidity premium
- ✓ Hidden listing costs
- ✓ Great PE firms add value
- ✓ Attracts management talent
- ✓ Overt listing costs
- ✓ Supply-demand imbalance

PUBLIC EQUITY MARKETS ARE SHRINKING AT A RAPID RATE



Sources: S&P Capital IQ (utilising certain information obtained from its database) for public and private company data as of 2 January 2020. Includes all private companies with revenues $\geq$ US\$15 million. The World Bank, <https://data.worldbank.org/indicator/cm.mkt.idom.no>, for historical listed company data (31 December 1996 for the U.S.; 31 December 2001 for Europe). Neither S&P Capital IQ nor the World Bank has provided consent to the inclusion of references to their databases and publications or material drawn from the databases and publications.

2. GLOBAL P.C RECAP



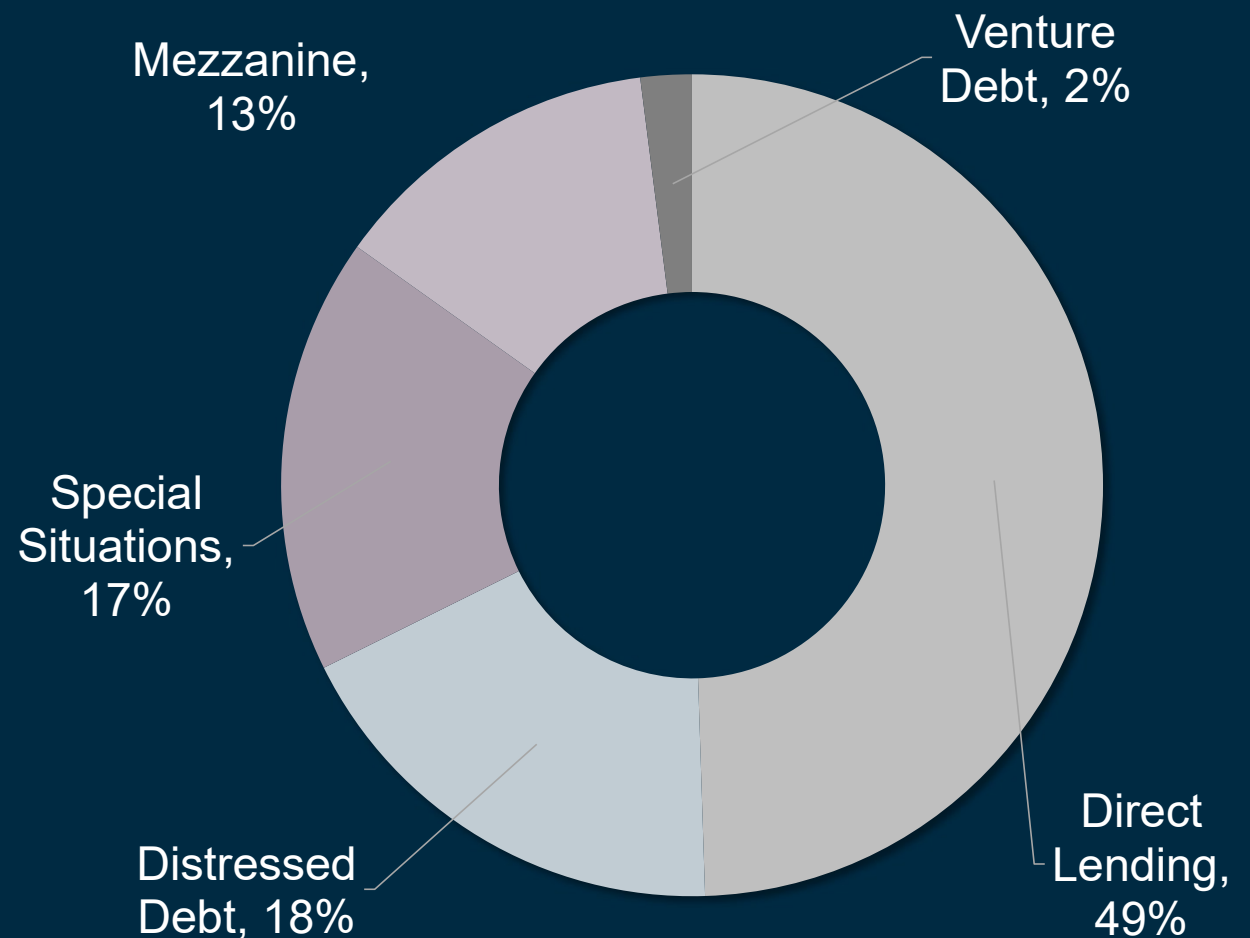
WHAT'S IN THE BUCKET?

- ✓ Direct Lending
- ✓ Structured Credit
- ✓ Specialty Finance
- ✓ Credit Opportunities

Bi-lateral, Secured, Protected

GLOBAL AUM

SPLIT BY STRATEGY

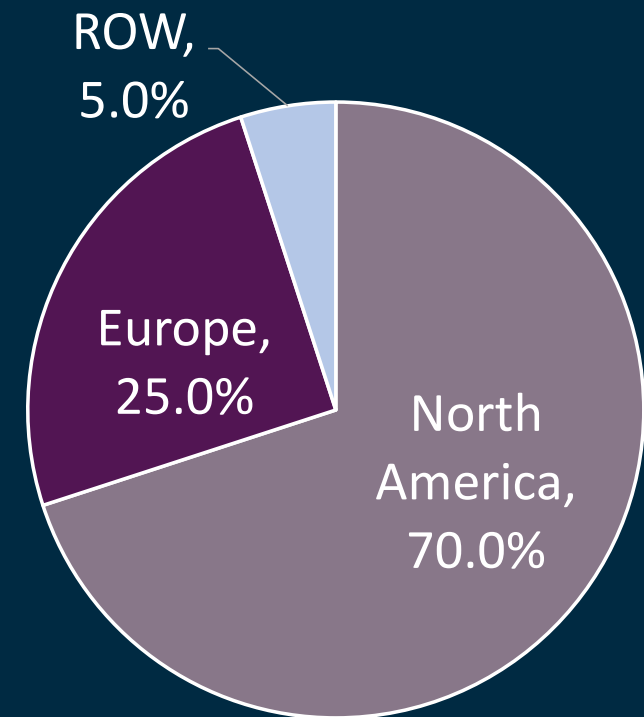


Source: Preqin Q3 2023. excludes Fund of Funds

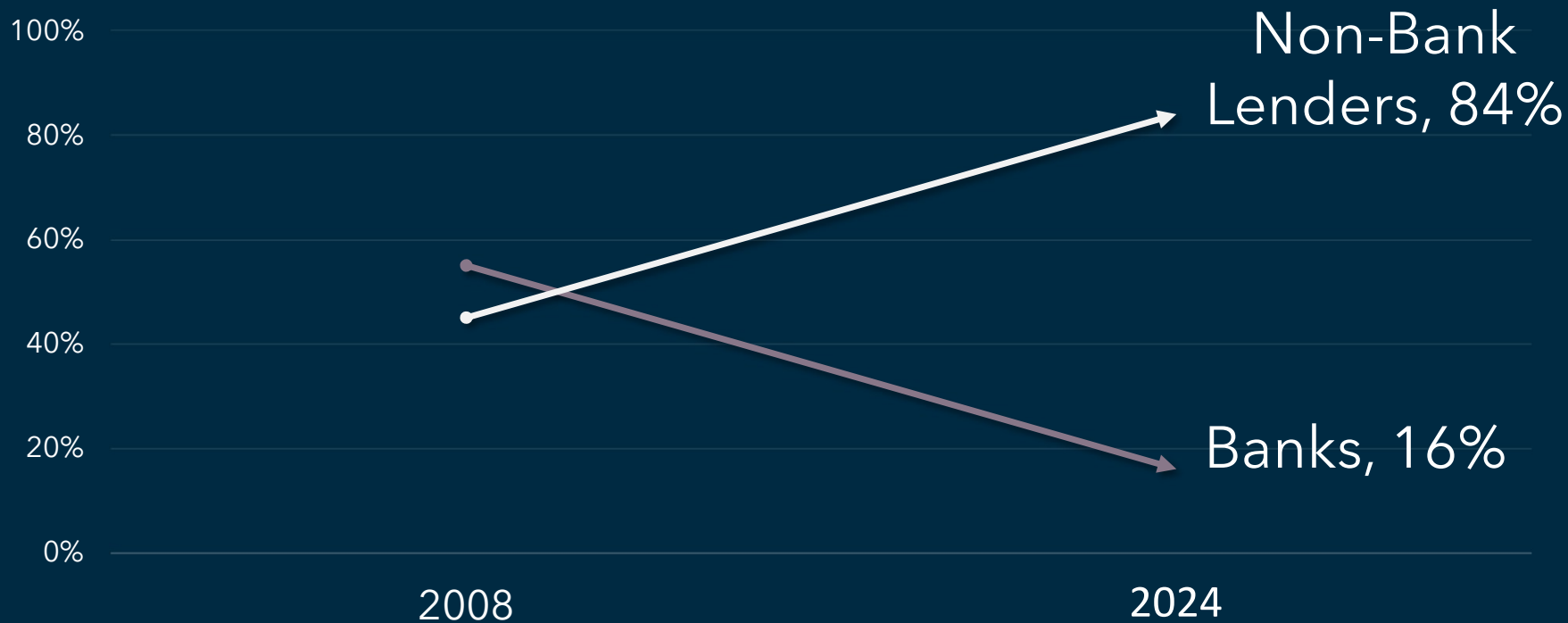
THE OPPORTUNITY SET IS GLOBAL

US AND EUROPE

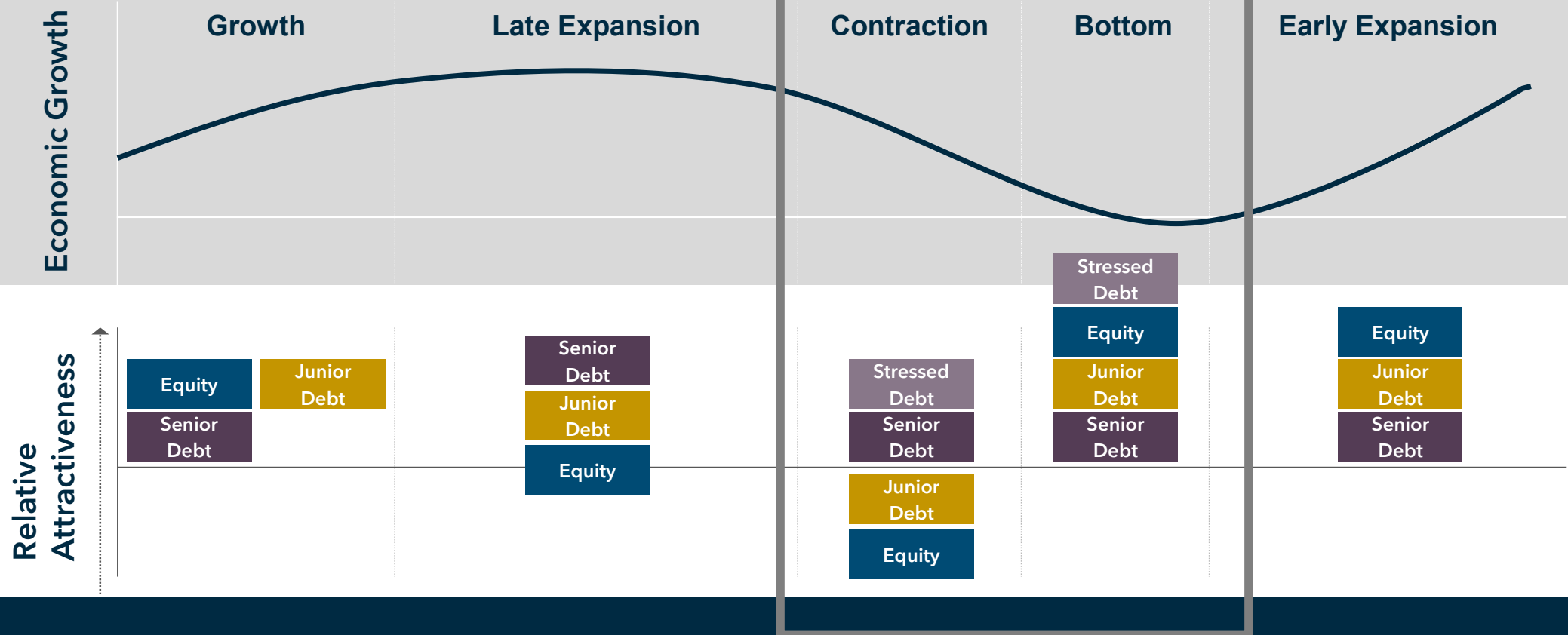
- Wide investor and borrower acceptance
- 84% provided by Private Credit Managers
- Diversity of strategies
- ~95% of >\$2 trillion market



BANK SHARE US AND EUROPEAN PRIMARY LOANS



Where we are now



3. IMPLEMENTATION



CHALLENGES TO INVESTING

Manager Selection

- Global landscape – large manager set
- Niche spaces and top performers hard to identify
- Assessment and monitoring
- Suitability

Access

- High minimum commitments
- Difficult to get allocations

Capital Efficiency

- Drawdown structures
- Staying invested
- Managing fx risk

Constructing Diversified Portfolio

- Repeating the investment process
- Evolving the opportunity set

Flexibility

- Flexibility to allocate opportunistically

SOLUTIONS

- Critical that PM solutions specifically crafted for specific investor types:
 - Liquidity
 - Return/Risk/Volatility
- Investors who can't cope with long lock-ups can invest via:
 - Listed vehicles – 100% daily liquidity
 - SMA tailored solutions – daily liquidity (on entry/exit) with potential gates
 - Retail products – daily liquidity (on entry/exit) with potential gates
- Regular investors no longer disadvantaged relative to institutions and FOs

WHY IS A PUBLICLY LISTED PM TRUST ATTRACTIVE

- Perpetual capital enables optimal investment into long term funds
- No liquidity mismatch; no risk of gating
- Ability to invest with no capital calls
- Ability to remain invested perpetually
- Ability to immediately rebalance/ liquidate/ top-up
- Complements unlisted diversified PE fund exposures

ELIMINATING THE LIT DISCOUNT TO NAV

- A listed vehicle is ideal structure – facilitating investing and providing daily liquidity and pricing
- Downside is that vehicles can trade at discounts
- Critical that vehicles incorporate solutions to close discounts
- Pengana created structure for PCX which now expected to be adopted widely in the PC market
 - Listed vehicle combined with quarterly “redemption” mechanism
- Critical that solutions need to be tailored to take into account liquidity of underlying assets as well as market dynamics e.g.
 - PE1 recently announced that it is working on a specific long-term solution that will permanently close the discount

USING PM's IN PORTFOLIOS

Liquid solutions enable use of PM assets outside of Alternatives Bucket

Use of PE in Equities bucket:

- Higher long-term returns
- Lower volatility
- Diversification

Use of PC in Fixed Income bucket:

- Higher long-term returns than bonds
- Lower volatility than bonds
- Diversification

4. CRITICAL QUESTIONS



CRITICAL QUESTIONS

Do you have enough PE & PC?

Have you filled your optimal allocation?

CRITICAL QUESTIONS

Do you have enough PE and PC?

Have you filled your optimal allocation?

Do you have enough of the "Good Stuff"?

Top tier managers, operating in the mid-market, with specific expertise?

CRITICAL QUESTIONS

Do you have enough PE & PC?

Have you filled your optimal allocation?

Do you have enough of the "Good Stuff"?

Top tier managers, operating in the mid-market, with specific expertise?

Do you have sufficient diversification?

Across: managers, sectors, geographies and vintages?

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Does the capital call/capital return process work for you?

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Does your fund have a liquidity mis-match?

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Do you have sufficient diversification?

Across: managers, sectors, geographies and vintages?

Does the capital call/capital return process work for you?

Does your fund have a liquidity mis-match?

Is illiquidity a problem

Is this preventing you from fully allocating?

TAKEAWAYS

1. Global is the best opportunity in PE & PC
2. Build diversification and flexibility into your portfolio with liquid vehicles
3. Get invested and stay invested
4. Optimise portfolios via allocation to Alternatives and/or Equities and FI Buckets

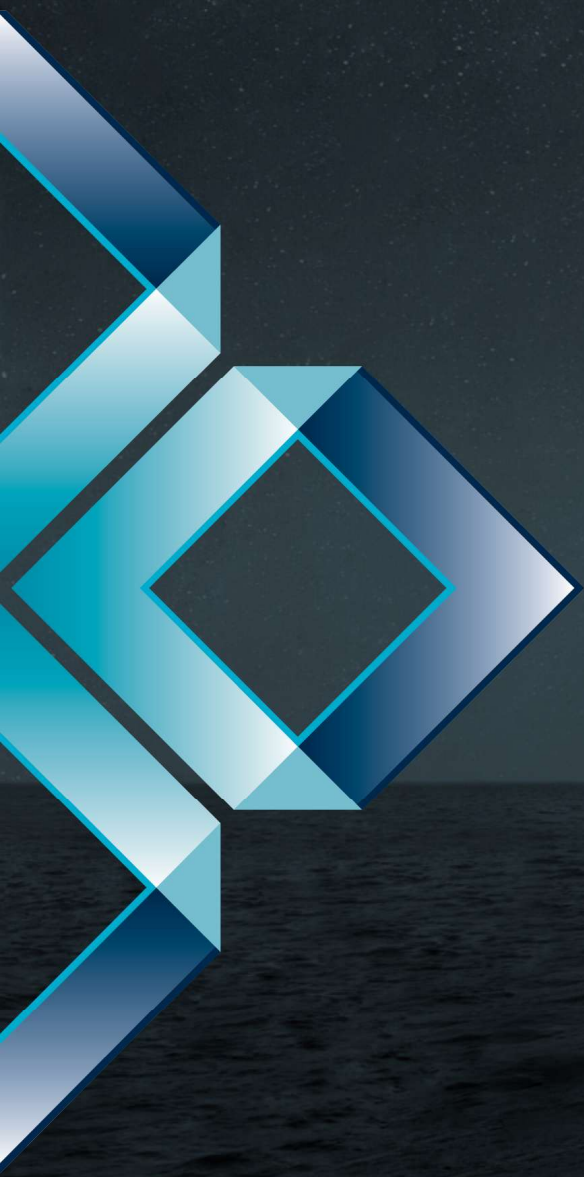


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Questions

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Adam Roberts

Australian Ethical

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Australian
Ethical



Infrastructure debt

IMAP Private Markets Masterclass

Adam Roberts
Head of Private Markets



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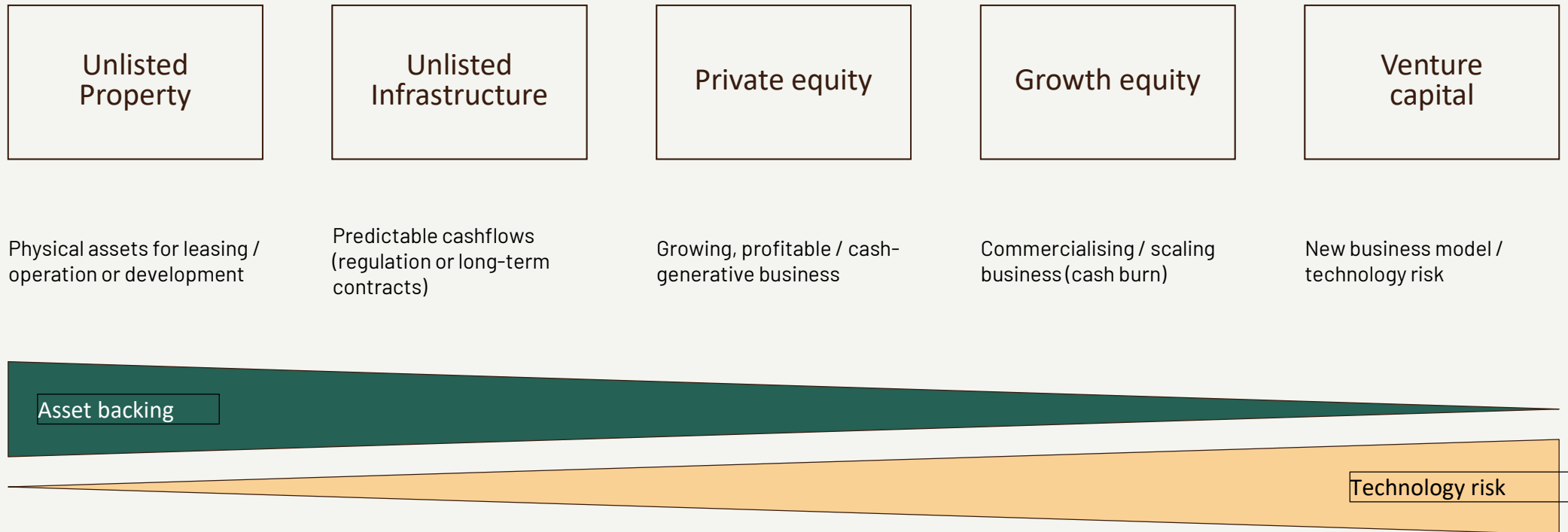
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Investing ethically and sustainably means that the investment universe will generally be more limited than non-ethical, non-sustainable portfolios in similar asset classes. This means that the portfolio(s) may not have exposure to specific assets which over or underperform over the investment cycle, and so the returns and volatility of the portfolio(s) may be higher or lower than non-ethical, non-sustainable portfolios over all investment time frames.

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What are Private assets?



Why Private assets?

Private assets are an important component to any investment portfolio with a large and broad investible universe...



**More
diversity**

Access to investments and sectors not available in public markets - with the number of listed companies continuing to shrink (~50% less than 20 years ago).



**More
opportunity**

Businesses are staying private longer and in doing so delivering more growth during private phase of asset lifecycle.



**More
focus**

Institutional investments have clear shareholder control in setting business plans and strategy vs fragmented listed company shareholdings.



**More
patience**

Shareholders Supportive of long-term strategies that are not subject to quarterly reporting cycles and broader market sentiment.

...whilst delivering attractive risk-adjusted returns relative to public markets with reduced volatility.

Confidential- Proof of concept (Subject to change)

Why do we like infrastructure and real assets?

REAL ASSET CHARACTERISTICS

- ✓ Underpinned by physical or tangible assets where there is an inherent physical worth.
- ✓ Categorized as infrastructure, real estate, or asset-backed private equity.
- ✓ Essential services in the communities that we live and operate
- ✓ Store of long-term value due to their inherent need.

BENEFITS OF REAL ASSETS

- ✓ Access to unique opportunities
- ✓ Stable and Predictable Cash Flows
- ✓ Essential services
- ✓ Inflation-linked
- ✓ Regulatory or Government Support
- ✓ Diversification and Lower Correlation
- ✓ Sustainable investment

Key investment thematic

Future-focused themes to drive sustainable growth and continued asset relevance



Decarbonisation



Circular economy



Digitalisation



Urbanisation

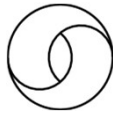


Changing demographics

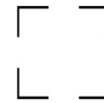
Wholesale adoption

There are structural challenges for wholesale investors in accessing traditional private assets.

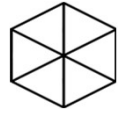
Structural challenges



Liquidity



Scale

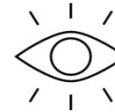


Diversification

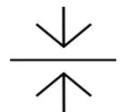
Asset-specific challenges



Partner selection

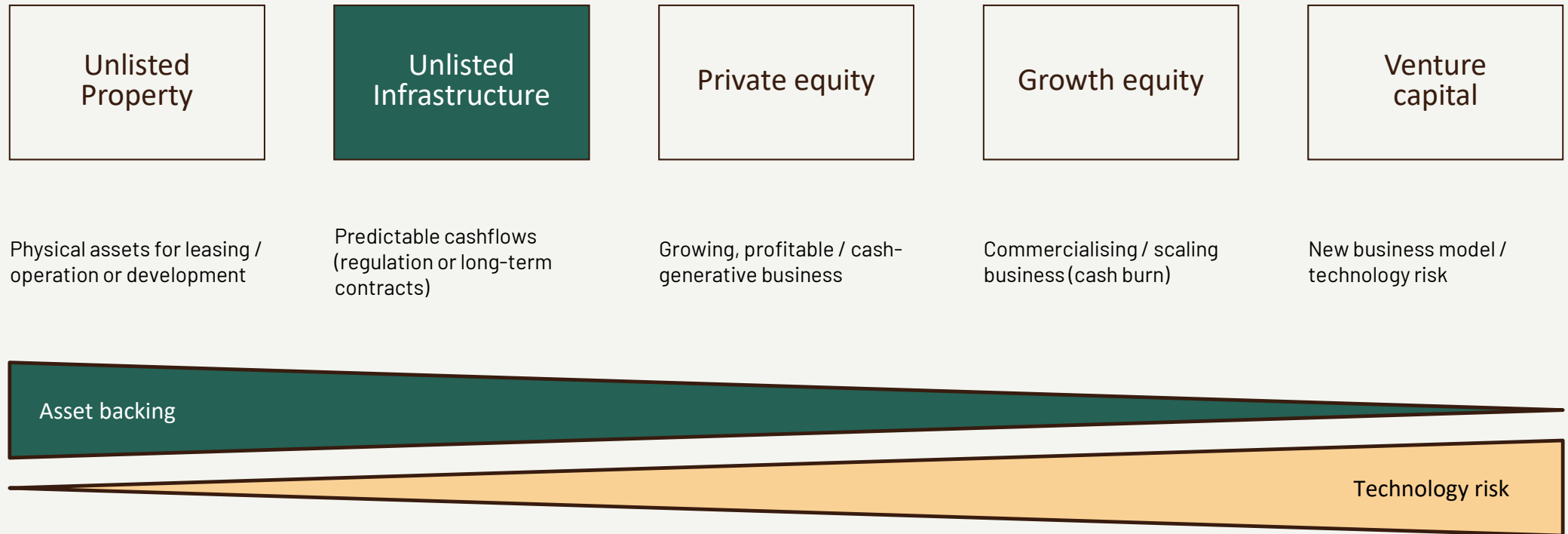


Investment diligence



Access

What are Private assets?

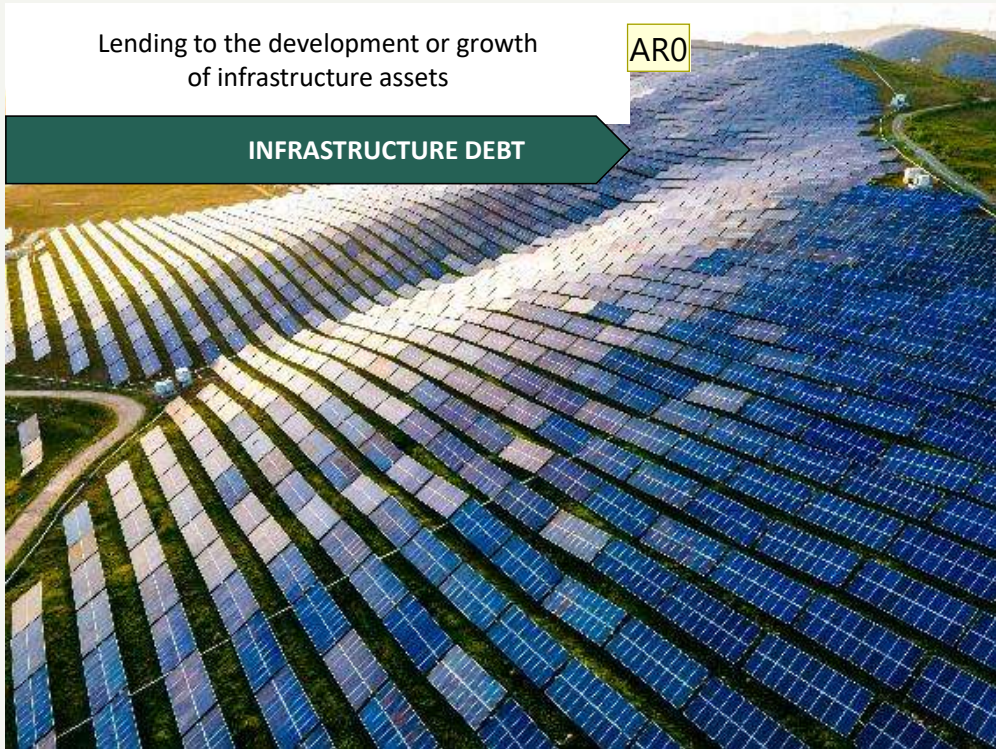


How to gain exposure

Lending to the development or growth
of infrastructure assets

ARO

INFRASTRUCTURE DEBT



Owning infrastructure assets and navigating their
operational and societal impacts

INFRASTRUCTURE EQUITY



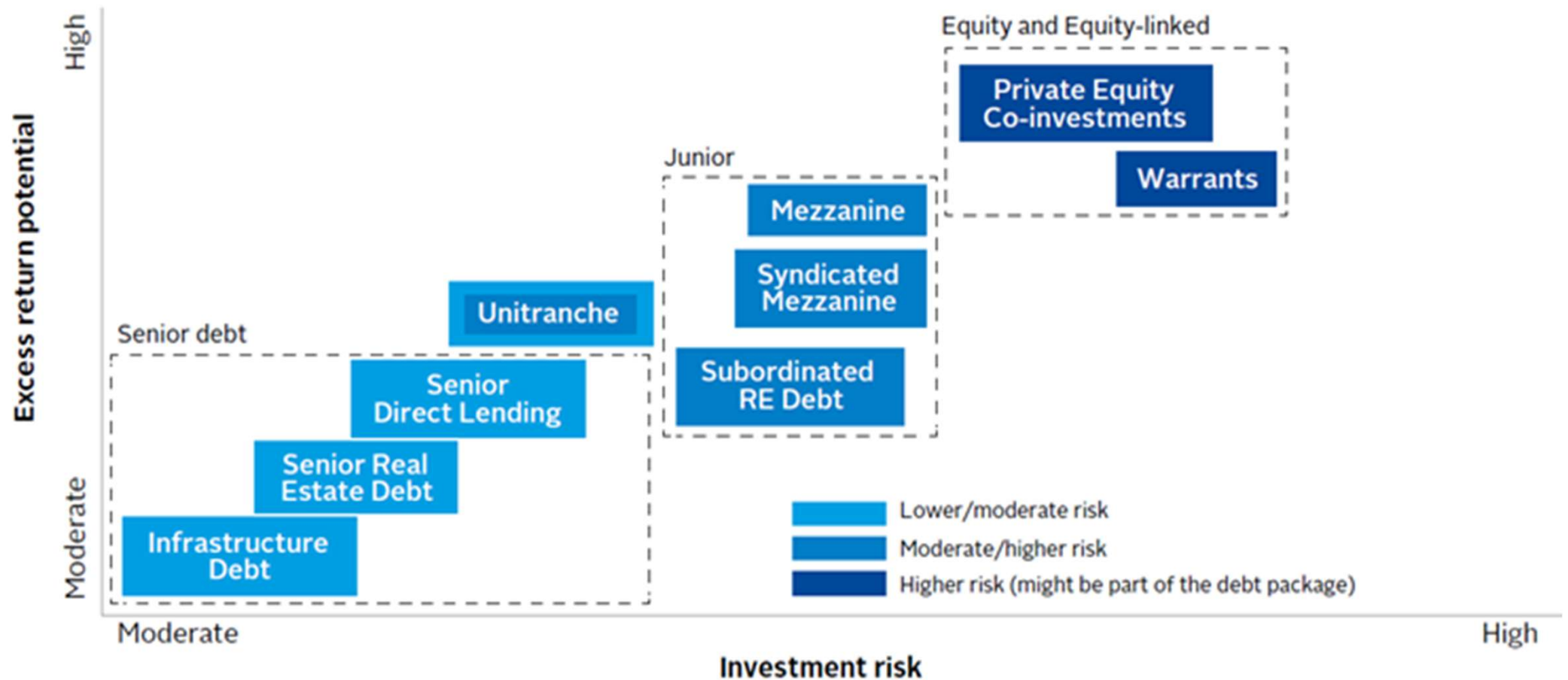
Slide 69

ARO

[@Pooja Jainn] could you add a photo to each white box. On the left a solar asset and on the right a recycling photo

Adam Roberts, 2025-03-06T23:12:03.133

Attributes of private debt



Why invest in infrastructure debt?



*Moody's 2015



Aims to deliver attractive long-term risk-adjusted returns
& offers transparency



More stable cash flows, lower volatility & higher recoveries in the
case of default*



Targets defensive loans that deliver secure yield



Bottom-up, top-down investment style

Energy transition opportunity



In 2020-21, renewables production increased

10%

largely due to the rapid expansion of solar and wind¹



In 2023, renewable energy accounted for

39%

of Australia's total electricity generation – the highest on record²



By 2030, renewable energy generation is targeted to be

82%

Policy of the Australian Federal Government³

Total capex spend on renewables to date

\$33bn

8GW of Solar, 11GW of Wind, 1.5GW Battery storage.⁴



Capex Spend to get to 82% renewables in the next 6 years

\$80bn

New build: 4GW of Solar, 20GW of Wind, 10GW Battery storage.⁴



Debt finance is often critical for clean energy projects large and small providing 50-70% of capital.

Non-bank lenders can play an important role, especially within emerging segments such as batteries.

1. [Australian Energy Statistics 2022 Energy Update Report](#)

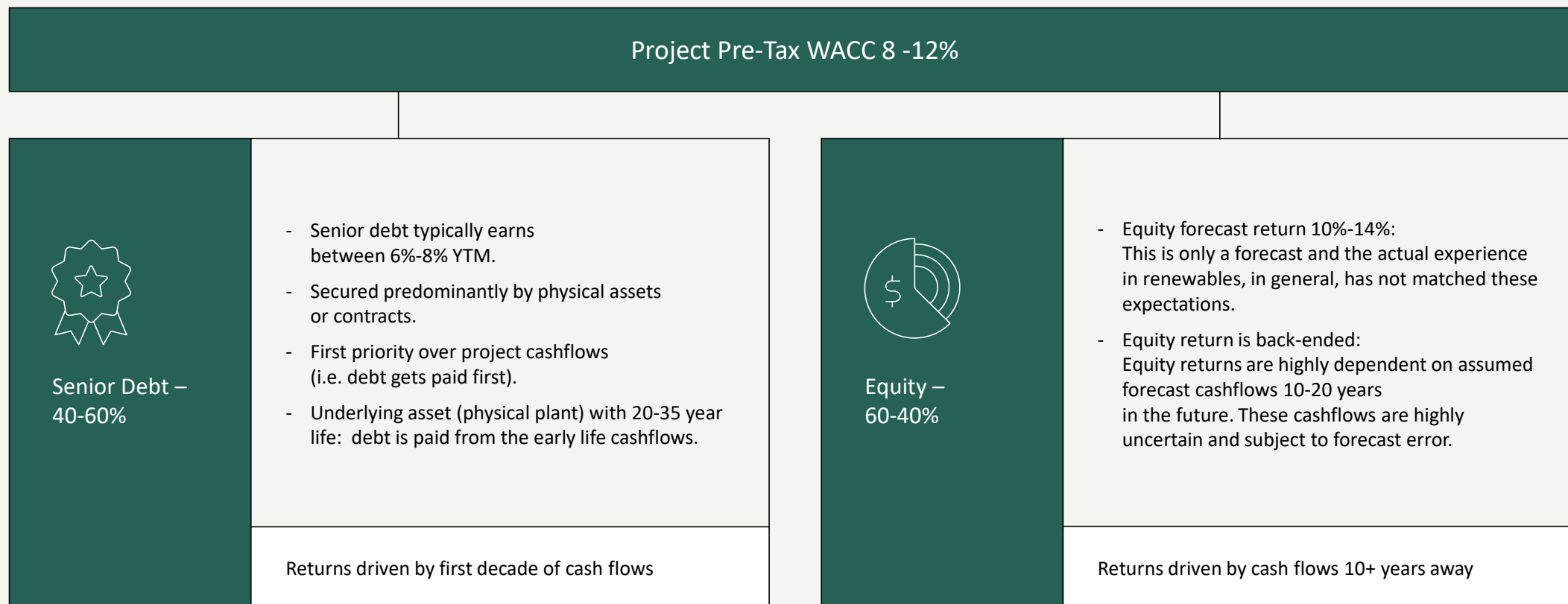
2. [Open NM](#)

3. [Annual Climate Change Statement 2022; DCCCEW](#)

4. [Integrated System Plan, AEMO 2022](#)

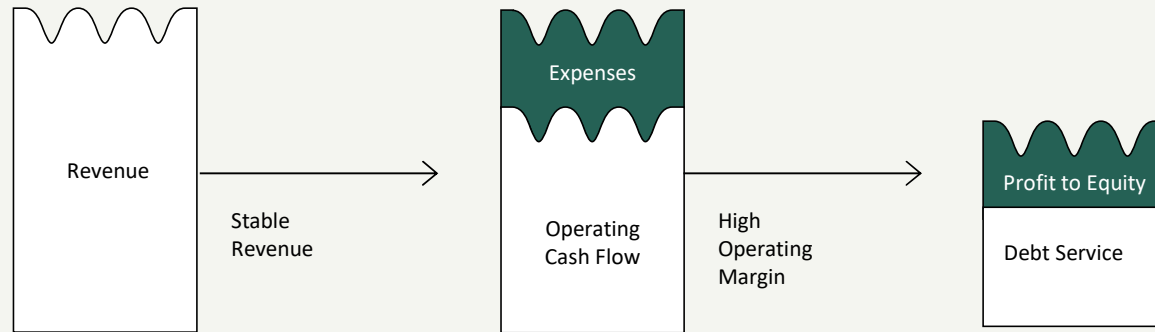
Supporting the energy transition: Why renewable debt

Typical renewable project capital structure

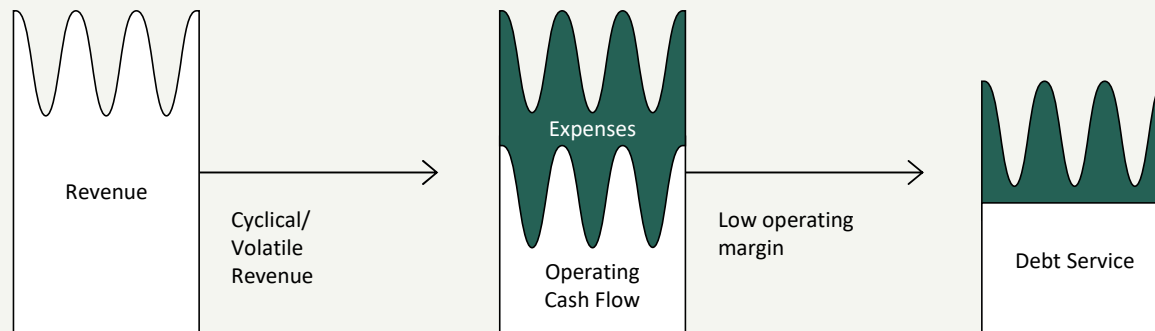


Infrastructure debt vs. Corporate credit

Typical infrastructure asset



Typical corporate asset



Infrastructure debt:

Full security over physical asset

- + Stable revenues
- + High Operating Margins

-
- = Stable Debt Servicing Capacity
 - = Attractive Credit Risk



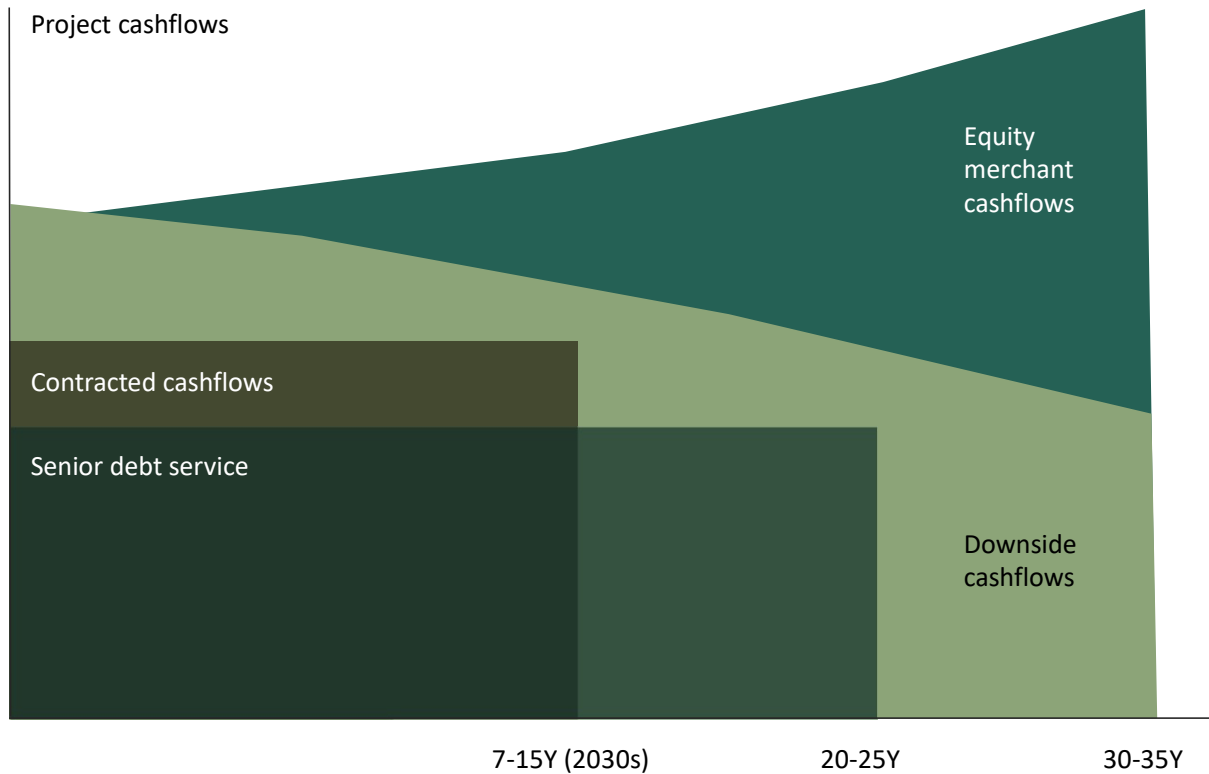
Corporate credit:

No large physical asset security

- + Cyclical/volatile revenues

-
- = Less certainty on debt service, lower recoveries in event of default (see next slide)
 - = Less attractive credit risk for the same credit margin/rating

Typical renewables structure



For wholesale investors only



Typical renewable infrastructure equity financing structures are highly leveraged to back-end revenue assumptions.

Senior debt captures most of the front-end cashflows.

Equity return is highly dependent on forecast energy prices in the last 10-20 years. This return is very sensitive to technological deflation.

Low correlation with traditional assets

Infrastructure debt can be a valuable tool for diversifying an investment portfolio, thanks to its low correlation with traditional assets like equities and long-dated bonds.

This lower correlation means that when other parts of the portfolio experience volatility, infrastructure debt offers stability, reducing overall risk and boosting resilience.

Source: Mercer.

Expected correlation of Australian infrastructure debt to other assets

Expected correlation		Australian infrastructure debt
Equity	Australian equity	0.28
	Developed markets equity (uh)	0.25
	Developed markets equity (h)	0.29
	Emerging markets equity	0.27
Real assets	AREITs	0.22
	Global listed infrastructure	0.23
	Global unlisted infrastructure	0.10
	Australian direct property	0.15
Alternatives	Commodities	0.04
	Diversified hedge funds	0.29
Fixed income	Australian government bonds	-0.22
	Australian credit	-0.07
	Developed markets government bonds	-0.13
	Developed markets credit	0.08
	Global high yield	0.58
	Cash (Bank Bills)	0.10

Diversification & downside protection in portfolios

From a portfolio perspective, the case for infrastructure debt is clear.

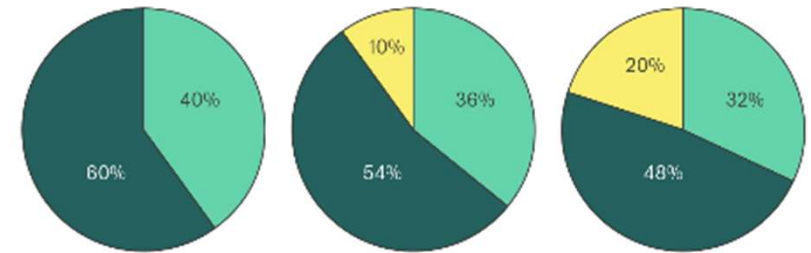
Its role in a diversified portfolio includes:

- Diversifying return drivers from traditional assets.
- Supporting income generation.
- Providing downside protection and stability during market stress.
- Aligning with ethical or sustainable investment goals through the projects financed.

Source: Mercer.

Portfolio modelling

- Australian Fixed Income
- Global Fixed Income
- Infrastructure Debt



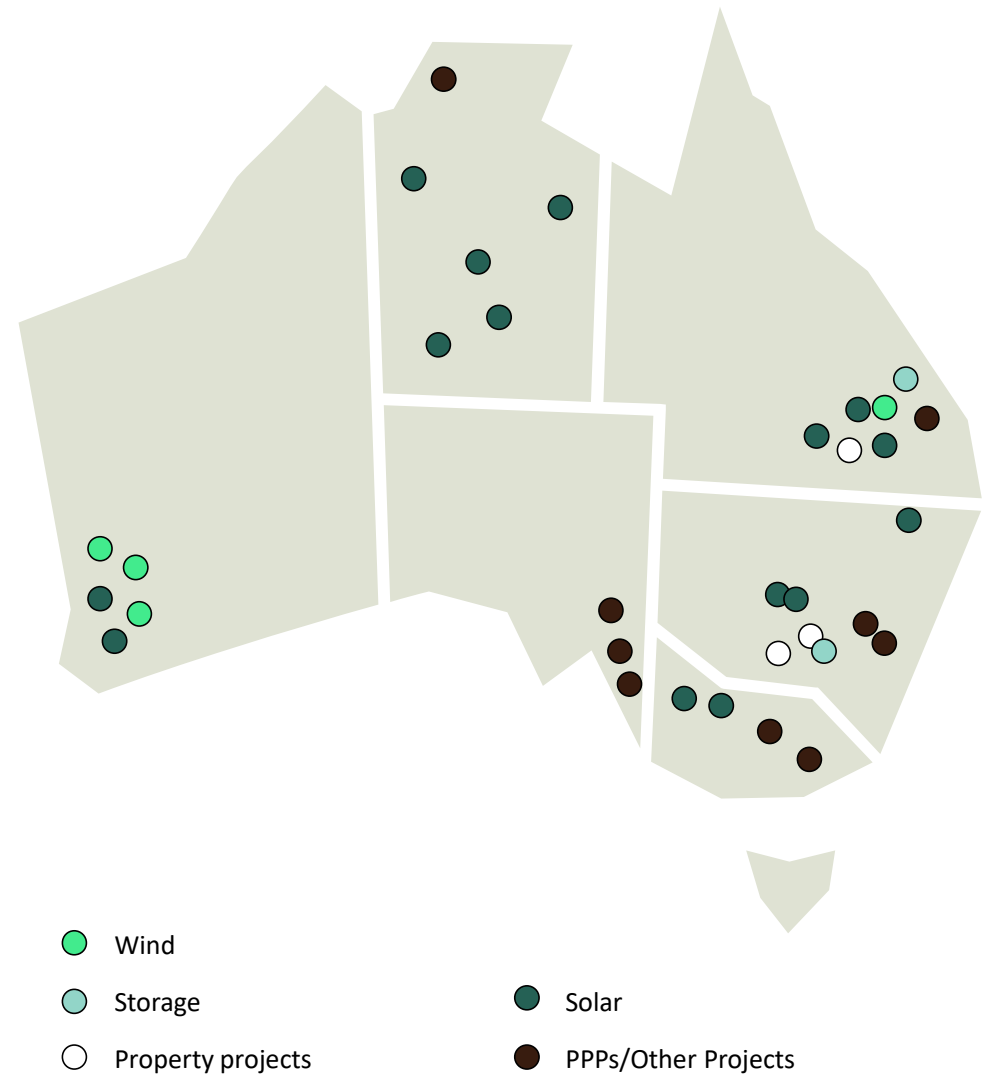
Portfolio modelling results (Long-term: 20 years)	Standard portfolio: No allocation to infrastructure debt	Alternate portfolio: +10% infrastructure debt allocation		Alternate portfolio: +20% infrastructure debt allocation	
Expected return	4.3%	4.5%	(+0.2%)	4.7%	(+0.4%)
Excess return over cash	+0.9%	+1.0%	(+0.1%)	+1.2%	(+0.3%)
Risk (Standard Deviation)	3.6%	3.2%	(-0.4%)	3.0%	(-0.6%)
Risk-adjusted return efficiency (Sharpe Ratio)	24%	32%	(+8%)	40%	(+16%)
Number of negative years in 20	2.3	1.6%	(-0.7%)	1.2	(-1.1)
Downside risk - Tail risk outcome (VaR 5th percentile)	-1.7%	-0.8%	(+0.9%)	-0.3%	(+1.4%)

Invest in Australia's clean energy transition

About the Australian Ethical Infrastructure Debt Fund (the 'Fund')

- An infrastructure debt fund providing income from private loans to projects that support the clean energy transition.
- Income will be derived from a diversified pool of predominantly senior secured loans to renewable energy infrastructure projects, social infrastructure and property projects, with loans secured by physical assets or contracts.
- Aims to provide investors with returns of 2-3% above the RBA Cash Rate per annum (after fees and expenses) over 5-year periods.¹

¹ This is not a forecast. Returns are subject to a number of factors outside of the Fund's control and will vary from time to time.



Where the Fund will invest



Renewable energy

Renewable energy, both grid-scale and embedded, including storage.

Embedded networks and micro-grid infrastructure where there is, or will be, significant use of renewable energy and/or efficiency gains.



Social infrastructure

Public transport, hospitals and health facilities, research facilities, water and or sewerage treatment/networks, educational facilities, convention centres, desalination, recycling/waste facilities.



Property projects

Property investments where there is a significant social impact investing or environmental component.

Note: Not exhaustive nor restrictive

AEIDF return performance

The Australian Ethical Infrastructure Debt Fund has now been open to investors for 12 months and has delivered the following performance:

Capital allocation	1 year (% p.a.)	Since inception (% p.a.) ³
AEIDF return ¹	7.11	7.11
Benchmark ²	4.35	4.35
Relative Performance	2.76	2.76

****Past performance is not a reliable indicator of future performance.**

1 Net of fees for periods to 31 January 2025.

2 RBA Cash Rate

3 Fund inception was 1 February 2024



The fund in its first 12 months has delivered at higher end of its return target.

The return is consistent with the return performance of the Infradebt Ethical Fund which has a 10 year track record.

Noting the credit quality of the underlying portfolio, this is an excellent result for the fund.

GGP Energy portfolio

Recent investment



2 operating and 1 under development solar & battery hybrid projects in South Australia

The portfolio will provide over 30GWh of annual carbon free generation, resulting in 5,000 tonnes of carbon being removed from the South Australian electricity grid per year.



Elwomple Hybrid Solar



Mannum Hybrid Solar

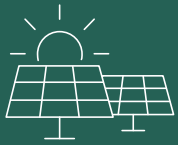


South Hummocks Hybrid Solar

Pre-construction

Wind & solar farms

Recent investment



Bright Energy Investments (BEI) Portfolio

Environmental & social benefits:

Provides a low-cost and clean energy for the grid.

Displaces CO2 emissions and supports local jobs and communities.



Greenough River Solar Farm
Greenough River, WA (40.0 MWdc)
Operational: Fully Contracted with Synergy (WA Govt owned retailer)



Albany & Grasmere Wind Farms
Albany, WA (35.0 MWdc)
Operational: Fully Contracted with Synergy (WA Govt owned retailer)



Warradarge Wind Farm
Warradarge, WA (183.0 MWdc)
Operational: Fully Contracted with Synergy (WA Govt owned retailer)

Battery Energy Storage Systems (BESS)

Recent investment



BESS provides grid stabilisation services and energy shifting/demand matching functions

Shifting energy from periods when renewable energy is abundant to periods where demand is highest, which is essential to Australia's transition to a carbon -neutral grid.



Bouldercombe BESS

20km southwest of Rockhampton (central QLD)

50MW/100MWh BESS using Tesla Megapack 2.0



Capital Battery

Adjacent Queanbeyan substation in ACT (part of NSW grid)

100MW/200MWh BESS

Under construction, batteries on site, COD Q3 2023



Pipeline Project

100MW Solar, 70MW/140MWh BESS
Expected to close March 2-25

Pre-construction

Our approach to infrastructure equity

Market rate open-ended real assets product with a deliberate portfolio of impactful investments

				
Electrification/ Decarbonisation	Circular economy/ Natural Capital	Digitalisation	Urbanisation	Cost of Living/ Demographics
Open-ended fund with monthly applications and quarterly liquidity	Global exposure with majority Australia-focused	Initial ~\$500m portfolio with 35 underlying investments	Mix of fund, co-invest/ direct, and listed renewables exposure	Cornerstone \$300m investment by AEI managed capital

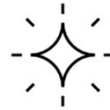
	Australian Ethical 	Ethical Charter	- Investments are assessed by our in-house ethics team who apply our Ethical Criteria to navigate complex ethical issues raised by investments across the economy
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Attractive product structure



Thematic Investing

Investing to solve the global challenges of climate and inclusion (“People and Planet”)



Diversified Exposure

Portfolio of investments that would be difficult to replicate given origination channels



Co-Invest/Direct Focus

Exposure to predominantly direct- and co-investments alongside experienced managers



Liquidity / Structure

Tailored product to retail / wholesale channels with periodic liquidity



Ethics & Oversight

Governed by our charter with investments subject to our internal ethics approval



Impact Reporting

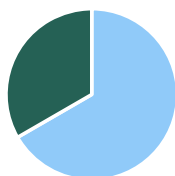
Contributing to solutions through a Thematic-level impact framework which delivers intentional and measurable outcomes

Target portfolio construction

We aim to provide open-ended access and diversification across sectors, investment channels, and regions

Geographic Diversification

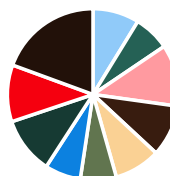
(up to 50% int.; Target ~30%)



■ Domestic ■ International

Position Diversification

(<20% invested in a single position; <33% with single partner)



■ 1 ■ 2 ■ 5 ■ 6 ■ 7 ■ 8 ■ 9 ■ 10

Product Structure

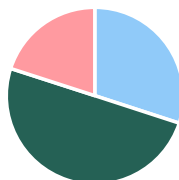
(open-ended with quarterly liquidity, subject to caps)

4x

per annum
liquidity windows

Investment Diversification

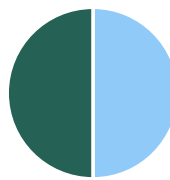
(mix of fund, co-invest/direct, and listed renewables for liquidity)



■ Fund ■ Co-Invest/Direct ■ Listed

Thematic Diversification

(targeting balanced portfolio of climate and inclusion outcomes)



■ Climate ■ Inclusion

Risk Profile

(mix of risk profiles across growth and defensive assets that have proven business / revenue models)

~11-13%

target net IRR

Illustrative partner relationships

We operate alongside well-known specialist investment partners

MORRISON.



octopus

cefc

QIC



Brookfield

generation__

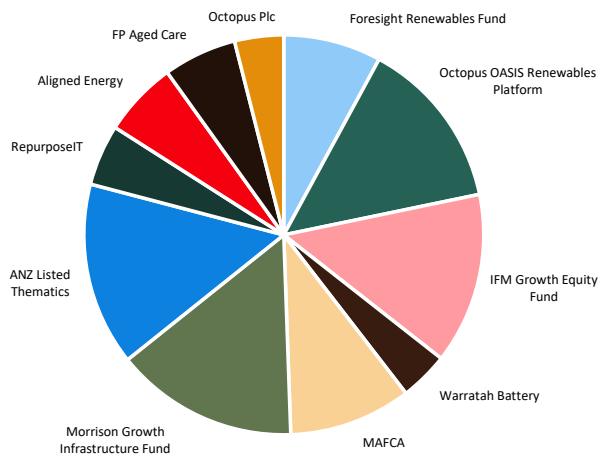
Foresight
group



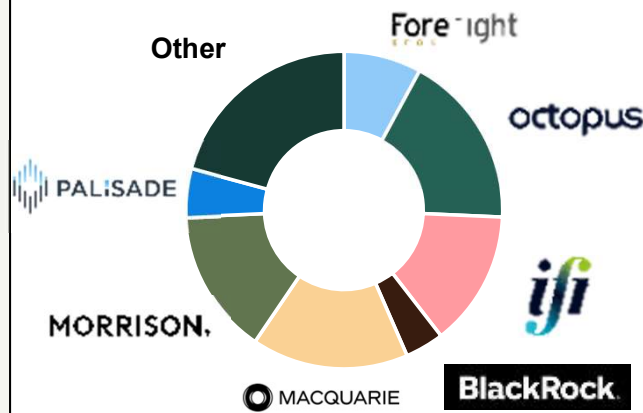
Target initial infrastructure equity portfolio

Initial portfolio of over A\$500m provides attractive diversification across Partners and underlying assets

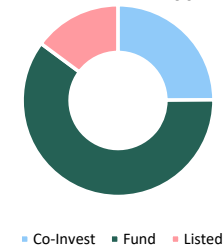
Diversification by Position



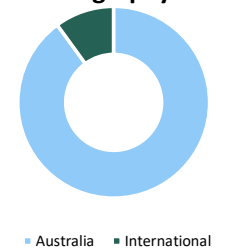
Diversification by Partner



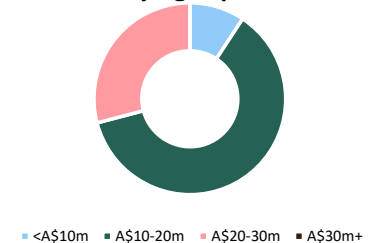
Diversification by Investment Type



Diversification by Geography



Average Underlying Exposure



IRR Reflects Target IRR pre-AEI fees and fund operating expenses. There is an estimate and there is no guarantee that this return will eventuate.

Recent infrastructure activities

We have recently committed ~A\$150m to a diverse range of private markets investments that align with our Thematics



RepurposelT



Quay Street Build to Rent



For Purpose Aged Care Australia



Octopus Plc



Aligned Data Centres



Climate Tech Partners

Seed Investment Overview: RepurposeIT



A leading closed-loop resource recovery provider specialising in processing C&D and Organic waste to produce high-quality repurposed material

Asset Name- Repurpose It

Sector	Recycling Infrastructure
Impact	Climate
Type	Co-Investment
Cheque Size	~\$15m / ~8% ownership
Target Returns	~17%
Partner	Palisade Impact
Rationale	Financing growth projects
Process / Timing	3Q24

Investment Overview

- Founded in 2017 and provides construction and demolition (C&D) and organics resource recovery services to Victoria.
- Business model has been largely underpinned by its C&D-contaminated soil-washing process, which produces sand, aggregates, and clay.
- Organics processes food and garden organics (FOGO) and hard organic waste to produce compost, soil, mulches and decorative bark
- The company is working on expanding additional FOGO tunnels, and food depackaging facilities to process greater commercial food waste

Key Ethical Risk Considerations

- C&D and organic waste are the two largest sources of waste in Australia today and contribute significantly to carbon emissions.
- Repurpose It's operations primarily focus on these two categories, aiming to eliminate waste flows to landfills and reduce emissions through a closed-loop resource recovery system.
- Focus on understanding counterparties and projects where C&D waste is derived and the upstream ethics of these

Seed Investment Overview: Aligned Data Centres



One of the largest and fastest growing hyperscale data centre platforms in the Americas, successfully growing from 18MW to over 1GW of contracted and reserved capacity since 2018

Asset Name- Aligned Data Centres

Sector	Data Centres
Impact	Digitalisation
Type	Co-Investment
Cheque Size	~\$25m / ~0.25% ownership
Target Returns	~20%
Partner	Macquarie Asset Management
Rationale	Financing further capacity
Process / Timing	4Q24

Investment Overview

- North American data centre platform, founded in 2013, and invested in by Macquarie-managed funds from 2018 providing hyperscale data centre capacity to large, sophisticated businesses
- More than 90% of their customers are investment grade, and more than 85% are major global corporations
- Valued at approximately US\$11 billion (pre-additional investment), of which US\$5 billion is equity.
- There are 11 operational facilities and nine currently under construction.
- A further ~US\$5 billion in capex required to develop the remaining pipeline of nine projects.

Key Ethical Risk Considerations

- 100% of Aligned's power is renewables and are publicly committed to a 2040 net-zero target
- Delivered the first ever green data centre securitisation and first ever sustainability-linked data centre financing
- Developed patented technology for liquid-cooling and develops its data centres with a closed loop water system eliminating the need for ongoing external water
- Key risks include development risk, leasing risk and pricing risk

Seed Investment Overview: Octopus Energy



Octopus Energy is a global energy and technology group, driving the affordable, green energy system of the future. Its operations span 14 countries and the entire energy value chain.

Asset Name- Octopus Energy

Sector	Energy Retailer / Climate Tech
Impact	Climate
Type	Co-investment
Cheque Size	AU\$15m
Target Returns	20% IRR
Partner	Generation Investment Management
Rationale	Financing Growth
Process / Timing	Capital called Q1 2024

Investment Overview

- Generation IM offered an opportunity to invest in Octopus Energy alongside its LTE equity fund. IC approval was received in August 2023 and capital drawn in Q1 of 2024.
- Octopus Energy has three key divisions:
- Tech Platform: Kraken is a technology platform built for the energy sector and licensed to support over 30 million accounts worldwide
- Retail Energy: Octopus Energy is a top-3 UK retail energy supplier.
- Generation: Octopus has one of the largest renewables investors in Europe, with ~3GW of renewable generation

Key Ethical Risk Considerations

- The transition requires: (i) a modern tech platform fit for changes to the grid, generation and electrification, and (ii) a simplified customer experience that encourages the adoption of energy transition products and services.
- 100% of generation, and 100% of electricity retail business is renewable, however also have a significant gas retail business
- Few success stories of energy retailers expanding internationally
- Risk management around energy prices is critical

Seed Investment Overview: For Purpose Aged Care Australia (FPACA)



A leading commercial for-purpose aged care provider
Image: Tamworth Community Aged Care

Asset Name- For Purpose Aged Care Australia (FPACA)

Sector	Aged Care
Impact	Health Infrastructure
Type	Co-Investment
Cheque Size	~\$10m (~\$30m est. at scale)
Target Returns	~14%
Partner	For Purpose Investment Partners
Rationale	Acquisition (and development) financing

Process / Timing
Australian
Ethical



July 2024 (expected first draw down)

Investment Overview

- Australian aged care platform established in 2023, through the acquisition of a boutique residential aged care provider in Victoria (Luson) currently operating over 300 beds across three existing aged residential care facilities.
- In July 2024 it is expected that FPACA will finalise the acquisition of a second aged care provider which will increase the number of facilities to c. 2,200 beds across 10 facilities. FPACA have a long-term target of 3,000 and 5,000 beds, which make them one of the largest top 25 residential aged care providers in Australia.
- FPACA’s mission is to develop a model of aged care that achieves excellent health and wellbeing outcomes for residents of all socioeconomic backgrounds, attract top staff and enable residents to age in place with dignity and choice

Key Ethical Risk Considerations

- **Occupancy Risk-** Reduced occupancy levels may adversely affect financial performance including reduced government funding and resident contributions.
- **Compliance Risk-** Meeting minimum standards is essential to maintaining accreditation and government funding. In addition, the sector has a history bad actors.
- **Regulatory Risk-** The sector is highly dependent on government funding which is subject change over time or may fail to keep up with the changing landscape of the industry.



Thank you



Get in touch

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Private Markets Panel Discussion

Moderated by Jane Williams
Russell Investments

Matt Waugh, Centric
Nehemiah Richardson, Pengana
Adam Roberts, Australian Ethical

