COLTER BAY
CAPITAL

2026 Overview Presentation

Lower Middle-Market Private Credit
March 2026

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Overview

Firm Overview

An Australian private investment manager dedicated to lower middle-market corporate private credit

Colter Bay Capital provides senior secured financing to established businesses generating $3M–$20M EBITDA. We combine institutional-grade credit discipline with genuine manager alignment — with a focus on capital protection and attractive risk-adjusted returns.

$200M
Target Deployment over 24mths

BBSW + 600bps
Target Net Return

~$10M
Avg. Investment Size

June 2026
Target First Close

The Opportunity

$25B funding gap in the Australian corporate lower middle-market. Bank capital regulations limit access to needed liquidity

Institutional Backing

Supported by a $100M liquidity facility from a leading Australian Institutional asset manager. Anchor capital from an established Swiss family office, validating the institutional framework

Manager Alignment

2% GP co-investment via Sponsor units. Genuine skin-in-the-game focused on risk-adjusted returns through rigorous downside protection

Origination & Expertise

65+ years combined credit experience across CBA, Schroders, Macquarie, Merrill Lynch, and HSBC. National network of advisory, bank, and PE relationships with a seasoned advisory board

The Team

Built to deliver institutional-grade credit solutions with alignment and transparency

FOUNDING TEAM: 100+ combined years of experience across private credit, structured lending, and investor distribution

Mark Wang
Founder & Managing Director

25+ years in private capital markets incl. 13+ years at CBA as Head of Private Capital Markets in Sydney and New York. Former Director, US Private Placements at Merrill Lynch in New York.

Rickard Hoskin, CFA
Co-Founder & Investment Director

13+ years in private markets. Founding team member of Schroders Australian private credit strategy. Former leveraged finance at HSBC, restructuring at Deloitte, credit analyst at Morgan Stanley in London.

Stephen Nguyen
Co-Founder & Investment Manager

8+ years at Macquarie Group originating structured transactions across semiconductors, energy and digital assets. Former Product Owner in Macquarie's Global Markets AI team.

Ashley Parker
Co-Founder & Head of Strategy & Distribution

30+ years in wealth platforms and adviser distribution across ASX, AUSIEX, CommSec, MLC and NAB. Led national distribution to 4,500+ financial advisers across 700 dealer groups.

ADVISORY BOARD: Deep expertise in structured finance, credit markets, corporate governance and leadership at major global institutions

Sean Garman
Founder & Chairman

NYC-based. Co-founded specialist CRE investment firm; manages Swiss-American family office portfolios. 15+ years structured finance and private equity, incl. Lloyds Bank in London.

The Hon. Nick Greiner AC
Strategic Advisor

Former Premier & Treasurer of NSW. Former Chairman of QBE, Stockland, Citigroup Australia, CHAMP PE. Former Australian Consul-General to New York.

Kirk West
Strategic Advisor

35+ years global asset management across US, EMEA, APAC. Former Exec MD International Businesses at Principal AM; grew AUM from US$215B to US$500B. Board member across 9 countries.

Luke Copley
Senior Advisor

15 years in credit underwriting, leveraged finance, and investment banking with deep technology sector expertise. Currently Managing Director at Standard Chartered Bank, formerly at Scotiabank and CBA.

INSTITUTIONAL HERITAGE

Morgan Stanley · MERRILL A BANK OF AMERICA COMPANY · Schroders · CommonwealthBank · MACQUARIE · HSBC · Principal℠ · Deloitte.

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Market and Investment Opportunity

Why Australia for International Capital

A creditor-friendly, structurally underserved market with institutional-grade regulatory infrastructure

AAA
Sovereign Credit Rating
One of only 9 nations globally[1]

6%
Non-Bank Share of Aus. Financial System
vs ~40% in the US — massive structural gap[2]

82.7¢
Secured Creditor Recovery / Dollar
vs US 70–80¢ and Europe 60–70¢[3]

Creditor-Friendly Insolvency Regime

Secured creditors enforce directly via receivership — no Chapter 11-style debtor protections that erode recovery timelines and value

Strong Rule of Law

Independent judiciary with common-law precedent; ASIC/APRA-regulated; ranked top-15 globally on rule of law[4]

Macro Stability & Sovereign Resilience

Zero sovereign defaults; 33 consecutive years without a systemic banking crisis; diversified across resources, financial services & technology[5]

Banks Hold 70–85% of Credit Market

vs ~30% in the US; tighter bank capital rules are accelerating the retreat from mid-market lending, widening the structural gap for direct lenders[6]

Portfolio Diversification

AUD-denominated, senior-secured credit with historically low correlation to public equity markets[5]

Early-Mover Advantage

As US private credit matured from ~2% to ~15% of business debt , the largest 'alpha' was earned in the early phase — Australia at ~2.5% is at that inflection point today (RBA, Bulletin – Oct 2024)

1. S&P Global Ratings, as at Dec 2025. 2. Reserve Bank of Australia, Financial Stability Review, October 2025. 3. Moody's Investors Service, Ultimate Recovery Database. 4. World Justice Project Rule of Law Index 2024. 5. Laeven & Valencia, Systemic Banking Crises Database, IMF 2020; RBA Financial Stability Review, 2025. 6. Privity Credit; Metrics Credit Partners, 2025. 7. Australian Attorney-General's Dept, PPSR Reform Consultation, 2025.

Australian Private Credit Market

$224B and growing at 9% CAGR — driven by regulatory constraints, not cycle [1]

$224B	9%	~$43B	~$40B
Aus. Private Credit AUM [1]	YoY Growth in Private Credit AUM [1]	ASX-Listed Hybrids Being Phased Out by 2032 [4]	Actual Private Credit to Corporates – the Balance is Property [2]

Structural Growth Drivers

- **Regulatory tailwinds:** APRA is phasing out AT1 capital instruments from the bank prudential framework by January 2027, restructuring how banks hold regulatory capital [3]
- **AT1 hybrid security retirement:** ~$43B in ASX-listed hybrid securities being phased out by 2032 — hybrid investors will need to seek alternative yield sources, including private credit [4]
- **Growth runway:** Private credit accounts for ~2.5% of total business debt in Australia — significant headroom for institutional capital deployment as the market matures [2]

The Allocation Case

- **Yield premium:** Non-bank lenders represent ~6% of financial system assets — limited competition supports attractive risk-adjusted returns relative to public fixed income [2]
- **Illiquidity premium:** Private credit offers a structural return premium over public fixed income for accepting illiquidity — the under-penetrated Australian mid-market amplifies this premium
- **Inflation / rate hedge:** Floating-rate BBSW + margin structures mean income rises with rates, providing a natural hedge against duration-heavy fixed income allocations

Sources: [1] Alvarez & Marsal, Australian Private Debt Market Review 2025; [2] Reserve Bank of Australia, Bulletin – October 2024; [3] APRA, Phase-out of AT1 Capital Instruments – December 2024; [4] ASX Hybrids Monthly Update, April 2025; [5] ASIC, Report 820: Private Credit Surveillance – November 2025.

Market Opportunities in the Lower Middle-Market

The lower end of the Middle-Market ("LMM") presents more compelling investment opportunities than the Upper Middle-Market ("UMM") across multiple dimensions

	Lower and Middle Market	Upper Middle Market
Borrower Profile	The LMM addresses smaller corporates usually focused on a **single industry or geography**	The UMM addresses larger corporates, often with **more diversified** focus and/or international presence
Conservative Capital Structures	LMM companies typically operate at **lower leverage,** often driven by owner/operator business conservatism or limited capital options	Significantly **higher leverage and Loan-to-Values (LTV's)**; reduced ability for lenders to take any action to remedy potential issues
Potentially Higher Returns	**Less market participants** – particularly in the < $20M company size space. Limited capital options generates the potential for an attractive **risk-adjusted return** for a quality borrower	Returns are **eroded by a higher degree of competition**, including from institutional capital markets
More Lender-Friendly Documentation	Documentation tends to have **stricter covenants and conditions which** allows a lender more control if a company begins to experience issues	Relative or total **lack of maintenance covenants** can potentially compound the effects of higher vulnerability due to more aggressive capital structure
More Demanding Underwriting Criteria	Smaller companies require **higher selectivity**, local origination network, deeper due diligence, and more human resources	Easier market to address through **higher intermediation**, centralised origination and standardised access to information
Less Investment Competition	Intermediaries, owners and PE sponsors typically run more **targeted processes, sometimes even on a proprietary basis** that ultimately provides better and more intimate access to company management	Opportunities are typically presented in **large, formal auction processes** run by investment banks and intermediaries
	Higher returns, stronger protections, less competition	More accessible but lower risk-adjusted value

Why Investment Manager Selection Matters

Performance dispersion in private credit is widening. Manager selection now drives outcomes more than asset class allocation. The data shows disciplined underwriters consistently outperform

Credit Cycle Turning

5.5% Fitch Private Credit default rate (Q2 2025) [1]

Up from 1.4% in Q3 2023. [2] Default rates climbing as low-rate cohort seasons. Managers who underwrote for a benign environment now face their first real test.

Australian Stress Accelerating

14,722 corporate insolvencies in FY24-25 [3]

Highest since 1999-2000. Q1 FY24-25 at 3,633 (+46% YoY). Hardest hit were construction and hospitality industries. The former a favourite of other private credit funds.

Easy-Money Vintage Underperforming

$2.8B in 2021 vintage non-accruals outstanding

Highest of any vintage. Loans originated during the low-rate period at elevated leverage are now the worst-performing cohort. [4]

Bifurcation Rewarding Selectivity

98% LMM covenant prevalence

Private credit loans increasingly bifurcated. In the LMM, 98% carry maintenance covenants [5]— providing early warning systems before losses crystallise.

1,600bps | Top-quartile vs bottom-quartile IRR spread in direct lending [6] | **50%** top-quartile managers stay above median [7] | **38%** bottom-quartile stay bottom-quartile [8]

Sources: [1] Fitch Ratings, U.S. Private Credit Default Rate (PCDR), TTM through June 2025. [2] Proskauer Private Credit Default Index, Q3 2023. [3] ASIC Insolvency Statistics, Series 1, FY2024–25; AFSA, State of Personal Insolvency System 2024–25. [4] Franklin Templeton, "Public Insights on Private Credit," Aug 2025 (BDC data as at 31 Dec 2024). [5] Proskauer Private Credit Group; Covenant Lite analysis. [6] Munday, Hu & Hall, UNC Kenan Institute, 2018 (Burgiss database, 2009–2016 vintages). [7] Golub Capital / KBW Research, BDC performance analysis, Q4 2014–Q3 2024. [8] Klarphos / Preqin, Direct Lending Transition Matrix, 1982–2023.

How we think about risk-adjusted returns

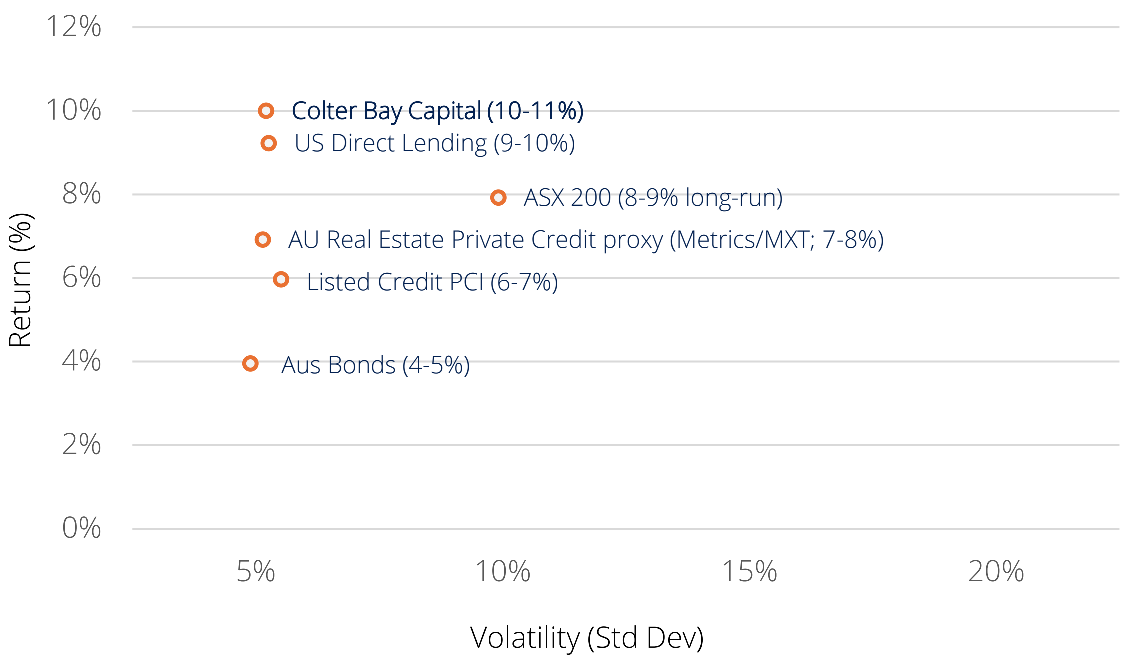
3 principles define how Colter Bay earns superior risk-adjusted returns for investors

Our Conviction	How we operationalise it	Evidence
Portfolio quality is built through selectivity A narrow close rate is a feature — capital is only committed where the team has developed deep conviction through rigorous, multi-stage diligence.	• 8-12 week diligence cycle with site visits, management deep-dives, and independent expert reviews • IC approval; deal teams present 2-3 times before capital is committed	Expect a < 3% close rate: 15-20 investments from 700-800 annual opportunities
Structural protections determine recovery outcomes Covenants are not documentation — they are the mechanism through which lenders detect deterioration early and preserve capital. The recovery data is unambiguous.	• Minimum two maintenance covenants on every transaction — 100% covenanted vs ~7% Broadly Syndicated Loans [1] • 90-95% first-lien senior secured with first-ranking PPSR security over all borrower assets	Covenanted 1st lien recovers ~72% vs ~61% covenant-lite [2]— 11ppt advantage at no spread cost
Spread should compensate for risk actually taken The LMM offers wider spreads at lower leverage with stronger protections. Per unit of credit risk, compensation is materially superior — and annual loss experience confirms it.	• BBSW+650-850bps returns at 2.5-4.0x leverage in LMM vs BBSW+350-550bps at 3.5-5.5x in upper market [3] • Complexity premium of 250-500bps captured through bilateral negotiation and timeliness of execution [3]	0.4% annual credit losses (senior direct lending) vs 1.1% for leveraged loans [4]

Sources: [1] BlackRock, "Covenants: Translating the Jargon of Private Credit," 2025 (~93% BSL covenant-lite). [2] S&P Global Ratings, "Is Covenant-Lite Really a Drag on Loan Recoveries?," Feb 2024 (data 2010–Sep 2023). [3] Colter Bay Capital internal analysis; Australian market observations. [4] Morgan Stanley / Cliffwater CDLI-S (2017–2024 annualised); PitchBook LCD; S&P Credit Pro.

Credit Risk, Equity-Like Returns

Targeting 10-11% net returns with bond-like volatility and multi-layered downside protection



Metric	Colter Bay	ASX 200	Aus Bonds	AU Real Estate Private Credit proxy (Listed) [4]	US Direct
Target Return	10-11% [1]	~8-9% [2]	~4-5% [3]	~7-8% [4]	~9-10% [5]
Volatility	~3-5%	~15-18%	~5-7%	~3-4%	~4-5%
Correlation to Equities	0.1-0.3	1.0	~0.1	~0.2	~0.3
Duration Risk	Nil (floating)	N/A	High	Nil	Nil
Downside Protection	SR secured + covenants	None	Govt backing	Diversified pool	Cov-lite typical
Historical Loss Rate	Target <1%	N/A	Near-zero	<1%	~1-2%
Inflation Hedge	Yes (floating rate)	Partial	No	Yes	Yes

200-300bps extra spread for equivalent risk

BBSW + 500-800bps (Australia) vs +350-450bps (US/Europe)

15-20% better recovery outcomes

82.7¢ Secured creditor recovery per dollar (World Bank)[6] vs US 70-80¢ [7] vs Europe 60-70¢ [7]

~50% lower leverage, better coverage

2.0-3.5x Australian borrower Debt/EBITDA vs US LBOs: 4.0-6.0x [8]

Sources: [1] Colter Bay Capital target returns at prevailing rates; not a guarantee of future performance. [2] S&P/ASX 200 Accumulation Index, long-run annualised. [3] Bloomberg AusBond Composite Index. [4] Metrics Master Income Trust (ASX: MXT). [5] Cliffwater Direct Lending Index. [6] World Bank, Doing Business 2020, "Resolving Insolvency" indicator for Australia (data collected May 2019; project discontinued Sep 2021). [7] PitchBook LCD, US LBO Leverage Statistics; [8] Colter Bay Capital analysis (Australian market).

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Origination & Underwriting Approach

The Team has collectively structured and executed $25bn+ in corporate financings across 150+ credit and structured finance transactions over the past ~25 years — leveraged acquisitions, growth capital, event-driven / bridging solutions, along with asset-backed structures.

Colter Bay Capital Founding Principles

Enhanced Origination

Proactive origination to uncover compelling opportunities whilst solving company liquidity needs

Underwriting Standard

Replicable deployment via a consistent and disciplined underwriting process

A singular approach to origination and underwriting

Origination standard transparently aligned with underwriting standard.

Colter Bay **Commonsense** Thresholds

01 **Debt Serviceability**

Operating business supports 3mth BBSW + 650–850bps for the loan term.

02 **Prudent Leverage & Protection**

Financial covenant package negotiated to the specific business risk profile.

03 **Conservative Projections**

No overreliance on growth revenue or CAPEX realisation. Base case underwritten to demonstrable, recurring cash flows.

04 **Downside Scenario Analysis**

Realistic credit deterioration modelling across single and combined factors. Confirmed lender rights and remedies.

05 **Refinancing Pathway**

Clear pathway to becoming an attractive commercial bank customer by loan maturity. Defined exit strategy.

06 **Borrower Purpose**

Is the financing genuinely needed? Alignment between capital deployment and borrower outcomes.

Investment Thesis: Thematic Tailwinds Driving Opportunities

Five structural tailwinds shaping Colter Bay's Australian corporate private credit pipeline

Intergenerational Wealth Transfer

$3.5–4.5 trillion in Australian wealth will transfer over the next 20–25 years – the largest generational shift in the nation's history. Family business equity sales drive event-driven financing opportunities directly aligned with Colter Bay's pipeline

Capital Investment Flows

Domestic & international PE, superannuation and institutional capital are concentrating in key sectors. **Where institutional equity goes, commercial lending demand follows**

Current Macro-thematics

Structural cost pressures – **skilled labour shortages, rising energy costs, nation-building infrastructure spend** – create capital demand in sectors where Colter Bay can price risk effectively

Weather Disruption

Insurers' **extreme-weather claims have more than doubled vs. the 30-year average**. We target businesses that benefit from disruption or provide environmental resiliency – while avoiding weather-exposed revenue models

Manufacturing & Productivity

Australia's **labour-constrained, execution-scarce economy** is driving capital into manufacturing automation, process efficiency and operational technology – businesses that do more with less. These companies require growth financing that Colter Bay is well positioned to provide

Borrower & Sector Strategy

Diversified credit portfolio across industries (ANZSIC codes)

COMPETITIVE EDGE

Focus & Approach

Senior secured investments into asset-light, service-oriented businesses. Services account for 65% of GDP and 88% of employment in Australia.

Advantage vs Commercial Banks

Unconstrained by regulatory capital costs that force banks to underwrite against tangible collateral. Colter Bay underwrites cash flow.

Advantage vs Broader Market

Targeting the "white space" in private credit: $5M–$20M corporate debt investments in the lower-middle market segment.

TARGET SECTORS

B2B Focus

Industrial & Business Services

Essential operational and maintenance services with oligopolistic pricing power

Wholesale Trade

Mission-critical consumable products with recurring demand across B2B and B2C end users

Manufacturing

Niche specialised products with recurring demand and defensible market positions

Other Segments

Financial, Professional, Technical and Healthcare services selectively pursued

Selective B2C | Limited to borrower with high recurring revenue, sticky customer base & profitability margin cushion

Target Borrower Profiles

Who We Lend To

Common Characteristic Across All Borrowers

- ✓ Cash flow generative (not turnaround or distressed)
- ✓ Experienced management with ‘skin-in-the game’
- ✓ Defensible market position or competitive advantage
- ✓ Meaningful covenants in exchange for other financing flexibility
- ✓ Clear path to refinancing or exit

Persona 1: Founder-Led Growth Company

Profile

- 10-20 year operating history
- $5M-$15M EBITDA
- Strong market position
- Founder(s) with 80%+ ownership
- No institutional equity

Financing Need

- Growth capital without dilution
- Working capital for new contracts
- Equipment / capex financing
- Opportunistic acquisition

Example Sectors

Manufacturing, business services, logistics, healthcare

Why Banks Say No

- No property collateral
- “Too small” for corporate banking team
- Requested timing too quick for bank to achieve

Persona 2: PE Sponsor-Backed Platform

Profile

- PE or family office backed
- $3M-$20M EBITDA
- Roll-up strategy
- Experienced management team installed
- 3-5 year hold horizon

Financing Need

- Acquisition financing for platform or bolt-on
- Delayed draw for M&A pipeline
- Refinancing of existing higher-cost debt

Example Sectors

Healthcare roll-ups, business services, software consolidation

Why Large Funds Say No

- Deal size below $50M threshold
- Not in target sector
- Requires more covenants than owner prefers

Persona 3: Transition / Event-driven

Profile

- Ownership transition (MBO, succession)
- $5M-$15M EBITDA
- Profitable, stable business
- Time-sensitive transaction

Financing Need

- Management buyout financing
- Shareholder liquidity
- Bridge to sale or IPO
- Recapitalisation

Example Sectors

Manufacturing, business services, logistics, healthcare

Why Banks Say No

- Timeline too short (owner needs 6-8 weeks, bank may need 3-4 months)
- Leverage above policy
- Event-driven = “risky”
- Requires flexible structure outside of rigid bank parameters

Select Transaction Experience

Illustrative completed and pipeline deals across **corporate lending** and **infrastructure project finance**

Niche Manufacturing
Senior Secured Acquisition Financing

Facility Size	$21M ($12M initial draw)
Tenor	36 months
Coupon	12.5%
LTM EBITDA	$7M
Opening Leverage	1.7x
Ownership	Non-sponsored

Investment Thesis
- Leading market position with $45M+ order book across 125 customers
- Investment-grade customer base: global renewable developers, natural resource companies, government
- Positive working capital: 40% deposits on contracted builds
- COVID resilience: 15% dip in FY20-21, 80% rebound in FY22

Outcome
Acquiror established a sovereign manufacturing platform for the Energy Transition. Within 2 years, secured a $400M+ liquidity package from a major domestic bank and offshore institutional investor.

20-year history | 125 customers | $45M order book | Price pass-through

Services Business
Senior Secured MBO Financing

Facility Size	~$25M
Tenor	60 months
Coupon	BBSW + 7.0%
LTM EBITDA	~$6m
Opening Leverage	~3.0x
Ownership	Sponsored with MBO proposal

Investment Thesis
- Company's service offering was a regulatory requirement with the business competitively placed in the market, holding strong customer relationships
- Sizeable day 1 leverage funding the buyout, de-risked by a sizeable contracted revenue pipeline
- Further structural de-risking mechanisms included appropriate amortisation and cash sweep controls versus distribution lock-ups
- Balanced acquisition & growth funding whilst ensuring suitable medium term credit quality

Outcome
Sponsor utilised drag rights to successfully sell business to a strategic buyer.

Sizeable order book | Cyclically resilient | De-leveraging visibility | Follow-on growth opportunities

Behind-The-Meter Solar Platform
Senior Secured Growth Financing

Facility Size	$12M
Tenor	40 months
Coupon	BBSW + 6.5%
LTM EBITDA	$9.5M
Opening Leverage	1.26x
Ownership	Founder-led

Investment Thesis
- 6-year track record developing and operating commercial BTM and small-scale solar
- Diversified revenue: development fees, asset management, operational fees, equity distributions
- Investment-grade customer base with contracted cost-plus fees
- 25-year operating asset profiles generating consistent equity distributions

Outcome
Facility upsized to $25M as the asset portfolio expanded to $500M in capital value, demonstrating execution capability and durability of the business model.

$300M+ AUM | 6-year track record | Diversified revenue | Long-dated cash flows

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04

Investment Process & Risk Management

Investment Process Overview

Colter Bay Capital follows a disciplined and consistent investment process

Screening	Due Diligence	Structuring & Approval	Portfolio Management
Early Assessment & Triage | 2-3 weeks	Full Detailed Analysis | 4-6 weeks	Documentation & Close | 2-4 weeks	Active Monitoring | Ongoing
Identify "fatal flaws" and assess strategic fit with investment criteria	Identify key risks and opportunities, means of assessing these issues and likelihood of closing	Independently verify key information through diligence / third party diligence	Proactive risk management and relationship stewardship to protect capital and maximise returns

Key Activities

Screening
- Initial engagement with borrower / advisor
- Desktop industry & financial analysis
- Corporate background searches (PPSR, ASIC)
- Preliminary credit review against investment criteria
- Short-form screening memo on company fundamentals & potential structure
- Review and discussion with Investment Committee
- Indicative term sheet issuance (exclusivity)

Due Diligence
- Comprehensive credit due diligence
- Management meetings & site visits
- Quality of earnings, cash reconciliation, KPI tracking
- Legal review & security analysis
- Collateral appraisals and liquidation analyses
- External consultants where required (industry, environmental, technical)
- Financial model completion with scenario analysis (base, stress, downside)
- Investment Committee paper preparation

Structuring & Approval
- Investment Committee approval
- Finalise structure, collateral package, and covenants
- Committed term sheet issuance
- Documentation negotiation with borrower counsel
- Conditions precedent completion
- Financial close & settlement

Portfolio Management
- Loan booking into monitoring system
- Daily portfolio reporting
- Monthly / quarterly borrower financial review
- Compliance certificate reviews
- Ongoing management dialogue and site visits
- Annual credit review & Investment Committee reassessment
- Quarterly portfolio construction reviews
- Proactive engagement on amendments, waivers, and refinancing
- Manage investment to successful exit / realisation

Key Outputs

Screening
- Go / No-Go Decision
- Initial Screening Memorandum
- Indicative Term Sheet

Due Diligence
- Detailed Diligence Plan
- Detailed Financial Model (Base and Downside Cases)
- Investment Committee Memorandum
- Committed Term Sheet
- Commitment "Subject To" conditions

Structuring & Approval
- Investment Committee Memo and Approval
- Commitment Letter
- Written Authorisation of Investment Committee
- Legal Documentation
- Closing Memo

Portfolio Management
- Monthly / Quarterly Monitoring Reports
- Compliance Certificate Tracking
- Annual Credit Review Memorandum
- Amendment / Waiver Documentation
- Exit / Refinancing Analysis

Analytical Framework & Screening Process

Colter Bay Capital employs a robust screening process to determine if an opportunity satisfies structuring requirements and financial targets

Well-defined underwriting process with consistent approach and emphasis on:

- Strong business fundamentals
- Reliable partners
- Aiming to limit downside risk
- Top priorities include:
  - Expertise of owners and executives to run the business well and handle unexpected events
  - Importance of business to customers
  - Barriers to entry
  - Sale value of business in a downside scenario

Proposed capital structure analysed along a number of dimensions, including:

- Asset value coverage under OLV (Ordinary Liquidation Value) and FSV (Forced Sale value) scenarios
- Amount of invested equity capital junior to Colter Bay Capital's proposed investment
- Maintenance of liquidity cushion through economic cycles and in stressed scenarios
- Ability of the company to service its obligations under a variety of scenarios
- Evaluation of pricing and profit potential take place only after addressing the priorities listed above

Situational Dynamics	Why is Colter Bay Capital involved in this situation? Is this borrower in a period of business transition? What is unique about the circumstances of this borrower that present the opportunity for Colter Bay? Why can't this borrower access traditional lending markets?
Scenario Evaluation	What is the business case for getting involved? What has gone right or wrong for this business? What are the realistic prospects for this business and its market/niche? Is there key man risk?
Responsible Investing	Does the investment merit additional RI diligence? Can RI risks be sufficiently mitigated? Are there headline or reputational risks for Colter Bay or its investors? What are appropriate RI reporting metrics?
Diligence & Modelling	Are there circumstances that will make diligence or modelling particularly difficult or complex? Which vendors and consultants can support analysis on crucial elements of the transaction?
Multiple Exit Options	How do we exit this loan? Colter Bay seeks to invest in non-binary outcomes, so what are the multiple ways that we will exit the loan?
Bankruptcy Analysis	What happens in a bankruptcy? How much will it cost? How long will it take? What will the format be (reorganisation, liquidation, etc.)? How will constituencies be motivated?
Risk-Adjusted Return	What is the risk-reward scenario? What is the upside return potential? Is there downside principal risk, and can it be quantified? If there is bona fide principal risk, is the return profile commensurate with that risk?
Debt Service	Can the company afford the proposed loan? What will the impact of the facility be on the company's cash flow?
Tax	Are there any unique tax issues? Have we modelled potential sources of income-based tax leakage?

Underwriting and Investment Committee Approval Process

Fundamental and Technical Analysis

- Analyse industry, company, management and exogenous macro-economic factors. Emphasis on a borrower's cash flow predictability modelled with downside scenarios
- Focus on structural protections including financial and non-financial covenants, priority of security, call protection, inter-creditor rights and information and inspection rights
- Investment Due Diligence includes: management meetings and site visits, financial data book analysis (accounting statements, financial model, ATO & bank statement reviews), external 3rd party channel & customer checks and industry specific 3rd party reports
- Determine risk rating and appropriate risk adjusted return

Broader Portfolio Fit

- Aim to construct a diversified portfolio by sector and avoid single industry sector exposure concentration
- Top-down assessment of portfolio construction segmented by ANZSIC code (industry, borrower, region/geography)
- Assess individual investments and aggregate portfolio from a restructuring and insolvency practitioners' perspective. Flag sectors of greater risk – that have experienced a greater percentage of historical insolvencies

Investment Committee

- Investment Committee (IC) is currently comprised of 2 individuals, including 1 member of the firm's Executive Committee and 1 Independent Member supported by a 3rd Party independent restructuring advisor
- Investment Committee meetings include entire credit team and are structured to provide iterative feedback to prospective borrowers
- A 2-stage process with a detailed initial IC screening memo for the Investment Committee. Subject to initial IC support, deal teams will undertake further due diligence review
- Upon completion of due diligence, deal team requests final approval with a final Deal Review and Investment Committee presentation
- Deal teams will ultimately present to the Investment Committee two-to-three times on average before receiving final approval

Investment Committee Recommendations Driven By:

Business Model Deep Dive	Analysis of Financial Performance	Forecast / Modelling of sensitivities
Portfolio Fit	Colter Bay Capital Sector Expertise	Third party findings (Industry Experts, Background Checks, etc)

Risk Management Framework

Multi-Layer Downside Protection: Colter Bay utilise standard frameworks that are then tailored to each borrower

Standard Credit Underwriting Standards

Metric	Requirement
Minimum EBITDA	$3 million
Maximum Leverage	5.0x
Minimum Equity	> 40%
Interest Coverage	Minimum 2.0x
Maintenance Financial Covenants	At least two required

Portfolio Construction Limits

Limit	Maximum
Single Obligor	6% of NAV
Single Sector	20% of NAV
Senior Secured	Minimum 90%
Geographic Focus	Australia & NZ

Structural Protections

- First ranking security over operating assets and shareholders equity
- Maintenance of financial covenants
- Comprehensive negative covenants (debt incurrence, asset sales, dividends)
- Cross-default provisions
- Information rights & Inspection rights
- Periodic covenant compliance certificates

Portfolio Management

- Daily loan monitoring system reporting
- Periodic financial statement and model review
- Quarterly compliance certificate verification
- Quarterly portfolio reviews
- Annual credit review and Investment Committee reassessment
- 3rd party industry information 'scraping' to proactively understand specific industry trends

Outcomes

- Timely, quality information reporting combined with an appropriate financial covenant package enables Colter Bay Capital to proactive act and "bet at the table" with management during periods of borrower underperformance or financial stress
- Individual borrower selection will be the most important determinant of a Colter Bay investment decision
- Portfolio construction and sector concentration will also be in important determinant of an investment decision

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05

Fund Construction & Investor Returns Profile

Summary of Key Fund Terms

Key Fund Terms	
Fund Name	Colter Bay Private Credit Fund
Fund Format	Open-ended managed investment unit trust
Fund Investments	Diversified portfolio of senior secured corporate loans
Investors	Accredited wholesale investors
Minimum Investment	$50,000
Target Net Return	3m BBSW+600bps
Distributions	Quarterly distributions of available net cash proceeds
Initial Deployment (Lock-Up) Period	24 months from issue of units
Redemption Frequency	Quarterly (last Business Day of Mar/Jun/Sep/Dec)
Redemption Gate	5.0% of NAV per redemption day
Management Fee	1.0% p.a. of NAV
Incentive Fee	10.0% above Hurdle Rate (with high-water mark)
Hurdle Rate	8.0% p.a. (absolute return, fixed)
Colter Bay GP Commitment	2.0% of GAV (Gross Asset Value)
Target Leverage	Up to 1.0x equity (via Institutional NAV facility)
External Trustee & Fund Administrator	Polar 993 Limited (AFSL 525458) & 993 Fund Services Pty Ltd
Fund Registry Services	Automic
Fund Auditors	EY

Sample Investment Portfolio

Investment	Sector	ANZSIC Category (Division)	Type	Maturity	Investment Size	Floating Rate Margin	Current 3m BBSW	Total Yield	LP Gross Yield *
#1	Infrastructure Advisory & Asset Manager	M – Professional, Scientific and Technical Services	Bilateral (Direct)	36 months	15,000,000	6.50%	4.28%	10.78%	10.99%
#2	B2B Industrial Consumable Equipment Product Distribution	F – Wholesale Trade	Bilateral (Advised)	24 months	5,000,000	8.50%	4.28%	12.78%	14.45%
#3	Specialist O&M (Operations & Maintenance) for Commercial Property	N – Administrative and Support Services	Bilateral (Direct)	36 months	10,000,000	7.50%	4.28%	11.78%	13.28%
#4	AI-focused IT (Information Technology) Integrator	J – Information Media and Telecommunications	Bilateral (Advised)	30 months	10,000,000	7.25%	4.28%	11.53%	12.78%
#5	Allied Health Care Service Provider	Q – Health Care and Social Assistance	Bilateral (Advised)	24 months	12,000,000	6.75%	4.28%	11.03%	12.28%
#6	Niche Equipment Fabrication for Digital & Energy Infrastructure	C – Manufacturing	Bilateral (Direct)	36 months	9,000,000	8.00%	4.28%	12.28%	14.78%
#7	Financial/Insurance Brokerage Aggregator	K – Financial and Insurance Services	Bilateral (Direct)	40 months	12,000,000	7.50%	4.28%	11.78%	13.78%
#8	Specialist Delivery Provider for Digital & Energy infrastructure	E – Construction	Bilateral (Advised)	24 months	7,000,000	8.25%	4.28%	12.53%	15.28%
#9	Professional Staffing Agency	N – Administration and Support Services	Bilateral (Direct)	36 months	11,000,000	8.50%	4.28%	12.78%	15.78%
#10	B2B Industrial Consumable Manufacturing & Distribution	C – Manufacturing	Bilateral (Advised)	36 months	9,000,000	7.50%	4.28%	11.78%	13.78%
Weighted Avg.				32 months	10,000,000	7.49%		11.77%	13.35%
Total					100,000,000				

* LP Gross Yield (before Management Fee, Admin Fee and Performance Fee if applicable) reflects a return enhancement in excess of "Total Yield" driven by utilisation of available liquidity facility.

Frequently Asked Questions

Fund Structure

What is the minimum investment?	\$50,000 initial; \$25,000 additional
What is the lock-up period?	24 months from issue of Units
When can I redeem?	Quarterly (last Business Day of Mar/Jun/Sep/Dec) subject to 5% NAV gate
How are distributions paid?	Quarterly, from available net income

Investment

What is the target net return?	3-month BBSW + 6.00% p.a.
How is the portfolio diversified?	We aim to construct a suitably diversified portfolio Indicative thresholds under a built-out portfolio are: - Single borrower: 6% - Single sector: Max 20% - Capital Structure positioning: 90%+ Senior Secured
Does Colter Bay co-invest?	Yes. The Investment Manager invests 2%+ of its own capital into each loan investment

Operations

Who is the Trustee	Polar 993 Limited (AFSL 525458)
Who audits the Fund?	Ernst & Young
What reporting will I receive?	Monthly unit pricing, quarterly investor reports, annual audited financials

COLTER BAY CAPITAL

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