

## **Causeway Corporate Credit Fund**

### **Information memorandum**

**Manager and issuer of this document:**

Causeway Asset Management Limited ACN 110 962 340

**Trustee:**

AMAL Trustees Pty Limited ACN 609 737 064

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# Important information

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This information memorandum (**IM**) is dated 24 November 2023 and has been issued by Causeway Asset Management Limited ACN 110962 340, AFS Licence no. 286005. Causeway Asset Management Ltd is the manager (**Manager**) of the Causeway Corporate Credit Fund (**Corporate Credit Fund**). AMAL Trustees Pty Limited ACN 609 737 064 (AFS Licence no. 483459), is the trustee of the Corporate Credit Fund and the issuer of units in the Corporate Credit Fund (**Units**), and has appointed the Manager to provide the Corporate Credit Fund's investment, operational, marketing and investor-related functions.

The Manager was appointed by the Trustee on 15 May 2023. Causeway Asset Management Limited is a member of the Causeway Financial Group, a dedicated private debt and alternate asset manager with over 60 years of team experience across the Asia Pacific, EU and United States. Details of the Manager's directors can be found in section 2.

All applications must be sent to the fund registry Automic Pty Limited can 152 260 814 (**Fund Registry**), to process your application and for the Trustee to issue Units in the Corporate Credit Fund pursuant to this IM. Applications may be returned to the Fund Registry by using the details for the Fund Registry set out below.

The contact details of the Manager are:

Causeway Asset Management Limited ACN 110962 340

Level 5, 107 Pitt St, Sydney, NSW, 2000

Ph: +61 2 9998 7525

Email: [Info@causewayam.com.au](mailto:Info@causewayam.com.au)

Web: [www.causewayam.com.au](http://www.causewayam.com.au)

The contact details of the Fund Registry and Trustee are:

AMAL Trustees Pty Limited ACN 609 737 064

Level 13, 20 Bond Street, Sydney NSW 2000 Australia

Ph: +61 2 9230 6700

Att: Akther Hossain

Email: [fundadmin@amaltrustees.com.au](mailto:fundadmin@amaltrustees.com.au)

Web: <https://www.amal.com.au/>

Trustee's contact details

Fax: 1300 720 652

Email: [funds@amaltrustees.com.au](mailto:funds@amaltrustees.com.au)

The contact details for the Fund Registry, to whom all applications must be sent, are:

Automic Group

Web: <https://www.automicgroup.com.au/>

Investor Services: 1300 288 664  
General Enquiries: +61 2 8072 1400

Email: [causeway@automicgroup.com.au](mailto:causeway@automicgroup.com.au)

## **Offer**

The offer of units in the Corporate Credit Fund is made exclusively to investors via Partners Private Pty Ltd, the distributor of the Fund. Information provided in this IM is general information only to assist any person to whom the IM is provided in assessing whether or not to invest in the Corporate Credit Fund. This IM does not take into account any prospective investor's personal objectives, financial situation or needs and each prospective investor should obtain their own professional legal, tax and investment advice before making a decision about whether investing in the Corporate Credit Fund is appropriate.

The information contained in this IM does not constitute financial product advice or provide a recommendation to enter into any investment. Statements made in this IM are, unless stated otherwise, made at the date of this IM only and the Manager and Trustee are not responsible for providing any updated information to any prospective investors.

This IM must be read in conjunction with the trust deed that establishes and governs the Corporate Credit Fund (**Constitution**). Prospective investors should read the Constitution for further information regarding the rights and obligations of investors in the Corporate Credit Fund. If there is any inconsistency between this IM and the Constitution, the Constitution prevails.

## **Disclaimer**

Certain information contained in this IM constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "estimate," "target", "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set out in section 8 of this IM ('Risks of investing'), actual events or results or the actual performance of the Corporate Credit Fund may differ materially from those reflected or contemplated in such forward-looking statements. Any forward-looking statements in this IM are therefore based on estimates only and involve elements of subjective judgement which may prove to be incorrect.

None of the Trustee, the Manager, or their related bodies corporate, directors, officers, employees, consultants, advisers or agents make any representations (express or implied) or warranties, nor do they assume responsibility or liability in relation to the Corporate Credit Fund for:

1. the accuracy, reliability or completeness of any information set out in this IM nor any other related information made available to prospective investors in any further due diligence materials provided; or
2. any errors or omissions in any information, statement, or opinion contained in this IM.

To the maximum extent permitted by law, the Trustee and the Manager and their related bodies corporate, directors, officers, employees, consultants, advisers or agents disclaim any and all responsibility or liability for any loss or damage which may be suffered by any person relying upon any information contained in, or any omissions from, this IM. All financial information set out in this IM is a general guide only and doesn't constitute financial advice. Whilst the information has been prepared in good faith and with due care, no liability for negligence or otherwise is assumed for any loss or damage suffered by any party resulting from the use of the information.

The Manager reserves the right to change the terms and conditions of this IM.

None of the Trustee, the Manager, or their related bodies corporate, directors, officers, employees, consultants, advisers or agents guarantees the repayment of capital from the Corporate Credit Fund or the investment performance of the Corporate Credit Fund, and investments in the Corporate Credit Fund are not guaranteed or underwritten.

An investment in the Corporate Credit Fund is subject to investment risk, which includes possible delays in repayment and loss of income and capital investment. An investment in the Corporate Credit Fund is an investment in an unregistered managed investment scheme. An investment in the Corporate Credit Fund is not a bank deposit, bank security or bank liability, and is subject to investment risk, including the loss of, or delays in the payment of, income or capital.

**In particular, some of the risks involved with an investment in the Corporate Credit Fund are considered in section 8.**

### **Not a regulated document**

An offer under the IM (**Offer**) is restricted to wholesale clients (as defined in section 761G of the *Corporations Act 2001* (Cth) (**Corporations Act**)) and sophisticated investors under section 761GA of the Corporations Act (collectively, **Wholesale Investors**).

In particular, the Corporate Credit Fund is not a registered scheme (as defined in the Corporations Act), and accordingly, this IM is not a product disclosure statement for an offer under Part 7.9 of the Corporations Act. Therefore, this IM does not contain information that would be contained in a product disclosure statement prepared under the Corporations Act and does not purport to contain all the information that may be necessary or desirable to enable prospective investors to properly evaluate and consider an investment in Units.

### **Reliance on Information Memorandum only**

No person is authorised by us to give any information or to make any representation in connection with the Offer of Units to you that is not contained in this IM.

Any information or representation not contained in this IM cannot be relied upon as having been authorised by us.

The issue of this IM is authorised solely by us and none of our subsidiaries or related bodies corporate, Partners Private or service providers are responsible for any statement or information contained in this IM.

### **IM available electronically**

If you are printing an electronic copy of this IM, you must first print all pages including the application form attached to the IM (**Application Form**). If you make this IM available to another person, you must give them the entire electronic file or print-out, including the Application Form. A paper copy of this IM can be obtained free of charge on request by calling Partners Private on us on +61 3 8508 7800.

Units cannot be issued unless you use the Application Form attached to either a paper or electronic copy of this IM. The Application Form contains a declaration that you have personally received the complete and unaltered IM prior to completing the Application Form. You should read this IM in its entirety before completing the Application Form.

### **Offering restrictions**

This IM does not constitute an offer or invitation to subscribe for Units in any jurisdiction where, or to any person to whom, it would not be lawful to make an offer. The distribution of this IM in certain jurisdictions may be restricted by law and persons who come into possession of it should seek advice on

and observe any such restrictions. If you come into possession of this IM you should comply with all laws of the relevant jurisdiction applicable to an application for Units.

### **Anti-money laundering legislation**

We may require further information from you from time to time to comply with our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**). By applying to be issued Units by the Trustee under this IM, you undertake to provide us with all additional information and assistance that we may reasonably require. We reserve the right to apply our absolute discretion and without notice, to take any action we consider appropriate including blocking or delaying transactions or refusing to provide services, to comply with our obligations under the AML/CTF Act.

### **Privacy and confidentiality**

This IM is strictly confidential and is for the sole use of prospective investors in the Corporate Credit Fund and their advisors and must not be reproduced, distributed or otherwise provided to any other party without the written consent of the Manager (which may be withheld by the Manager in its absolute discretion). All recipients agree that they will keep confidential all information contained herein that is not already in the public domain.

By applying to invest in this Corporate Credit Fund, each prospective investor acknowledges and agrees that:

1. you are required to provide the Manager, Trustee, Registry and Partners Private with certain personal information to:
  - a. facilitate the assessment of applications; and
  - b. enable the Manager, Trustee, Partners Private to carry out appropriate administration; and
2. the Manager, Trustee and Partners Private may be required to disclose this information to:
  - a. third parties who carry out functions on behalf of the Corporate Credit Fund on a confidential basis;
  - b. third parties as required by law; and/or
  - c. any related body corporate of the Manager, Trustee or Partners Private or their respective officers, employees, consultants, advisors or agents which carry out functions on behalf of the Corporate Credit Fund and need to know the relevant information.

Please read the privacy statement in section 12.8 of this IM. By signing and returning the Application Form you consent to the matters outlined in that statement.

### **Glossary, illustrations and currency**

Defined terms and abbreviations used in this IM are explained in the glossary attached to the IM. All references in this IM to '\$' are references to Australian dollars unless stated otherwise.

### **Enquiries**

If you have any questions or require assistance with completing the Application Form or additional copies of the IM, please contact the Manager or Partners Private using the details in the corporate directory attached to this IM (**Corporate Directory**).

## 1 Key investment features

The following table summarises the key features of an investment in the Corporate Credit Fund and provides section references for further information. You should read this IM in full to properly understand your investment in the Corporate Credit Fund.

Description	Summary	Reference
<b>Investment strategy and structure</b>		
<b>Trustee</b>	The Trustee of the Corporate Credit Fund is AMAL Trustees Pty Limited ACN 609 737 064 (AFS Licence no. 483459).	Section 2.1
<b>Manager</b>	The Manager, which has been appointed by the Trustee to manage the Corporate Credit Fund, is Causeway Asset Management Limited ACN 110962 340, holder of AFS Licence no. 286005.	Sections 2.2 and 2.3
<b>Investment vehicle</b>	The Corporate Credit Fund is a private unit trust, offered as an unregistered managed investment scheme available only to investors accessing this IM via Partners Private.	Section 12.1
<b>Investment Objective</b>	<p>The Investment Objective of the Corporate Credit Fund is to provide consistent income returns from a diversified portfolio of Private Debt loans, targeting There is no guarantee that the Corporate Credit Fund will achieve these objectives.</p> <p>The Manager, the Trustee, Partners Private and each of their officers, associates, and related entities do not guarantee the payment of income on, or return of capital of, an investment in the Corporate Credit Fund.</p>	Section 5.1
<b>Investment Strategy</b>	<p>The Corporate Credit Fund will obtain the majority of its investment exposure by investing into P Class units in the Causeway Private Debt Income Master Fund ('Master Fund') managed by the Manager.</p> <p>The Master Fund will provide loans (each, a <b>Loan</b>) to the small-to-medium sized enterprise (<b>SME</b>) and middle market corporate lending sector in Australia.</p> <p>As sole or lead lender, the Master Fund will seek to obtain exposure primarily to a diversified portfolio of senior secured loans to growing companies with diversified collateral pools and cash flow support, typically from two to five-year maturity, and, subordinated or unsecured loans up to 15% of the total portfolio. The Master Fund commenced lending activities in December 2021.</p> <p>The Corporate Credit Fund may also enter into risk participation agreements with the Master</p>	Section 5.2

<b>Description</b>	<b>Summary</b>	<b>Reference</b>
	Fund or co-invest directly in loans with other Causeway entities in order to obtain similar investment exposure to loan assets outside of the Master Fund P class units.	
<b>Investor type</b>	The offer in this IM ( <b>Offer</b> ) is only open to Wholesale Investors.	Section 9.1
<b>Issue Price</b>	The initial Issue Price of each Unit is \$1.00. The Trustee will update and issue the Unit Price monthly and this will be available through your adviser or platform service.	Section 12.1
<b>Minimum investment</b>	The minimum investment amount is \$100,000 (though the Trustee may accept lesser investments at its sole discretion).	Sections 9.3(a) and 9.3(b)
<b>Maximum investment</b>	There is no maximum investment amount, subject to the Trustee's right to refuse to accept any application at the direction of the Manager, or to accept any application for an amount less than the amount indicated on the Application Form.	N/A
<b>Fund diversity targets</b>	When fully invested, each Loan exposure should generally represent no more than 10% of the total Fund size.	Section 5.3
<b>Subscription amount</b>	The Fund will only proceed with a Loan if funds have been received from Investors which are sufficient to meet that Loan, or the Loan participation share to be purchased.	Section 7.3
<b>Distributions</b>	Distributions will be paid quarterly in arrears at a fixed rate of 2% (8% per annum) subject to availability of income plus an annual final distribution using any excess performance over 8% p.a by the Fund during the previous financial year.  The first distribution following financial year end (30 June) may include an additional variable amount calculated using any excess performance over 8% during the previous financial year.  Distributions will be paid by electronic funds transfer into your nominated Australian financial institution account.	Sections 3.1, 3.5 and 7.4
<b>Unit Classes</b>	The Trustee will issue ordinary units to investors in the Corporate Credit Fund that are distributed via Partners Private.	
<b>Redemptions</b>	Units in the Fund are subject to an 18-month Term before redemptions may be approved at	Section 7.5, 7.6 and 9.4



Description	Summary	Reference
	<p>the discretion of the Trustee and are subject to liquidity considerations and constraints.</p> <p>Generally, redemptions will be available on a quarterly basis. Investors must provide written redemption applications by the first business day of each quarter for redemption the following quarter (i.e. with 90 days' notice).</p> <p>Liquidity is assessed as loans are repaid to the Master Fund. When a Loan is repaid, we will advise investors who have applied to redeem their respective proportion of the relevant funds (or reinvest the relevant amount).</p> <p>The Manager will continue to write loans which meet our risk adjusted return requirements as we raise new investor funds. The manager will review this position on a weekly basis.</p> <p>The Master Fund will continue to offer Loans ranging from one to five-year terms, with an average expected duration of two to three years.</p>	

Description	Summary	Reference
<b>Custody and administration</b>	The custody and administration function will be performed by the Trustee. The Trustee is an integrated provider of loan servicing, corporate trust and agency services and has over \$16 billion of funds under administration and supervision in Australia and New Zealand.	Section 12.2
<b>Offer acceptance</b>	<p>If the Trustee accepts your application to invest in the Fund, after confirmation of payment of your application moneys has been received, you will be issued Units by the Trustee via the Fund Registry. This IM provides information about:</p> <ul style="list-style-type: none"> <li>(a) the Fund’s investment objectives and structure;</li> <li>(b) details of the Trustee and its board of directors;</li> <li>(c) details of the Manager and its board of directors;</li> <li>(d) potential benefits and risks of investing in the Fund;</li> <li>(e) information on fees and expenses payable by the Fund;</li> <li>(f) a general summary of the taxation implications of investing in the Fund; and</li> <li>(g) a summary of the terms of key documents and other information relevant for a Wholesale Investor to consider before applying for Units.</li> </ul> <p>You should read the IM in its entirety before making your decision to invest.</p>	Sections 9.2 and 9.3
<b>Loan details</b>		
<b>Loan amounts</b>	Loans offered by the Master Fund will generally be for between \$2.5 million and \$25 million but larger or smaller amounts are possible.	Sections 3.4 and 7
<b>Loan terms</b>	Loans will generally be for between one year and five years, but may be for a longer or shorter period.	Section 7.8
<b>Loan purposes</b>	The purposes for which the Loans are utilised by borrowers may include wholesale equipment finance, inventory finance, vendor finance programs, trade receivables finance, pre-securitisation warehouse finance, working capital, acquisition finance, and real estate loans.	Section 7.9

<b>Description</b>	<b>Summary</b>	<b>Reference</b>
<b>Loan interest</b>	The interest rates charged on Loans may be fixed rate, variable rate, or may also include a rate determined by reference to improvement in the business valuation of the borrower.	Section 7.10
<b>Interest payment frequency</b>	The frequency with which borrowers will be required to pay interest will vary between Loans and depend on the circumstances of the particular Loan, such as its purpose and duration.  Generally, we will require borrowers to pay interest monthly or quarterly in order to provide investors with a regular income return.	Section 7.11
<b>Security</b>	Each Loan will be made pursuant to a separate Loan Agreement with the borrower ( <b>Loan Agreement</b> ). Generally, Loans will be secured by: (a) a registered first or second mortgage over real property; and/or (b) a registered first or second ranking general security agreement over the assets and undertakings of the borrower.  Loans may be supported by additional security such as guarantees from the directors or owners of the borrower.  As set out above, the Fund may also make unsecured Loans.	Section 7.12
<b>Loan-to-valuation ratio (LVR)</b>	The manager will seek to achieve a blended LVR across the Master Fund portfolio of senior secured loans of between 65 and 75%.	Section 7.13
<b>Lump sum repayments</b>	Generally, a borrower may make partial repayments against their Loan, which may be subject to early repayment fees.	Section 7.15
<b>Other Loan terms and conditions</b>	Generally, the Master Fund reserves the right to charge additional fees, for example Loan establishment fees, early repayment fees, and default interest fees. These matters are addressed in each individual Loan Agreement.	N/A
<b>Potential benefits and risks</b>		
<b>Potential benefits</b>	Potential benefits of investing in the Corporate Credit Fund include: (a) a highly experienced and active management team; (b) fixed quarterly income Distributions of 2% (8% per annum) subject to income availability; (c) low risk of capital loss;	Section 3

Description	Summary	Reference
	(d) attractive risk-adjusted returns; and (e) the opportunity to invest in a diverse sector of Australian Private Debt markets.	
<b>Risks</b>	All investments involve risks. There are a number of risks associated with an investment in the Corporate Credit Fund. Some of the key risks of an investment in the Corporate Credit Fund include: <ul style="list-style-type: none"> <li>(a) borrower default risk;</li> <li>(b) interest rate risk;</li> <li>(c) leverage risk;</li> <li>(d) derivative risk;</li> <li>(e) inadequacy of security;</li> <li>(f) loan recovery;</li> <li>(g) counterparty risk;</li> <li>(h) diversification risk;</li> <li>(i) Fund risk;</li> <li>(j) liquidity risk;</li> <li>(k) valuation risk;</li> <li>(l) related party and conflict of interest risk;</li> <li>(m) compliance risk;</li> <li>(n) key personnel risk;</li> <li>(o) regulatory risk;</li> <li>(p) taxation risk;</li> <li>(q) cyber and information security risk; and</li> <li>(r) macro-economic risk.</li> </ul>	Section 8
<b>Fees and other costs</b>		
<b>Management and Corporate Credit Fund operating Fees</b>	There will be management and Corporate Credit Fund operating fees including Trustee, distribution fees, administration, legal and accounting fees will not exceed a maximum total management expense ratio ( <b>MER</b> ) of 1.75% per annum.	Section 10
<b>Corporate Credit Fund expenses</b>	The Trustee is entitled to be paid or reimbursed on a full indemnity basis out of the Corporate Credit Fund for all expenses and liabilities incurred in connection with the Corporate Credit Fund or in performing its obligations or exercising its powers under the Constitution.	Section 10
<b>Additional information</b>		
<b>Tax</b>	Investing in the Corporate Credit Fund may have taxation consequences for you. We	Section 11

Description	Summary	Reference
	recommend you seek professional tax advice before investing in the Corporate Credit Fund.	
<b>Reporting to investors</b>	<p>You will receive:</p> <ul style="list-style-type: none"> <li>(a) confirmation of your investment;</li> <li>(b) Distribution statements;</li> <li>(c) regular investment updates investment in the Corporate Credit Fund;</li> <li>(d) an annual taxation summary; and</li> <li>(e) various reports, including quarterly investment reports, a quarterly statement, an annual investor statement, an annual income distribution statement, an annual tax statement, and an annual report.</li> </ul>	Section 9.7
<b>Complaints resolution</b>	<p>Any complaints can be made to the Complaints Manager:</p> <ul style="list-style-type: none"> <li>(a) by post: Level 5, 107 Pitt St, SYDNEY NSW 2000; or</li> <li>(b) by email: <a href="mailto:info@causewayam.com.au">info@causewayam.com.au</a></li> </ul>	Section 12.6
<b>Glossary</b>	Refer Glossary of Terms	Section 13
<b>How to contact us?</b>	Refer to the Corporate Directory.	Section 14

## **2 About the Trustee and the Manager**

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### **2.1 Trustee**

The Trustee of the Corporate Credit Fund, AMAL Trustees Pty Limited, will issue the Units.

### **2.2 Manager**

The issuer of this IM is Causeway Asset Management Limited, who has been appointed by the Trustee as the investment manager of the Corporate Credit Fund (**Manager**).

### **2.3 Directors of the Manager**

The directors of the Manager also have a broad range of experience in financial services combined with financial and commercial experience.

Details of the existing directors of the Manager are set out below.

***Mike Davis*** *B.Ec (Syd), CA ANZ, GAICD*  
***Executive Director***

Mike has been involved in the financial services sector since 1984 in Asia Pacific, Europe and the USA, and is an executive director of Causeway Financial.

Since inception of Causeway Financial, Mike has originated, managed or advised in excess of \$1.4 billion of Private Debt and mortgage loan portfolios. Prior to founding Causeway Financial, Mike was jointly responsible for launching, originating and managing a proprietary Australasian Private Debt investment portfolio for Maple Financial Group from February 2003 to May 2006. From 2012 to 2015 Mike was Chief Executive Officer of Tyndall Asset Management in Australia responsible for \$23 billion of equity, debt and alternate assets. After leaving this role, he resumed direct involvement with Causeway Financial.

Mike previously developed his debt market and asset management skills at Merrill Lynch over 14 years in a variety of domestic and international roles. During this period, Mike developed a strong understanding of capital markets and investment management products and practices. He established a strong reputation with institutional investors and intermediaries particularly in the Australasian and US markets.

Prior to joining Merrill Lynch, Mike spent four years working in debt market trading and sales with Deutsche Bank in Sydney and London after working four years prior as a Chartered Accountant with KPMG.

Mike holds a Bachelor of Economics degree from Sydney University and is a graduate of Chartered Accountants Australia & New Zealand (formerly the Institute of Chartered Accountants in Australia) and the Australian Institute of Company Directors.

***Tim Martin*** *B.A (Macquarie), GAICD*  
***Executive Director***

Tim has been involved in the financial services sector since 1982 in Australia, Hong Kong and Europe, and is an executive director of Causeway Financial.

Since inception of Causeway Financial, Tim has been actively involved in the origination, risk management and advice of in excess of \$1.4 billion of Private Debt and mortgage loan portfolios. Prior to founding Causeway Financial, Tim was jointly responsible for launching, originating and

managing a proprietary Australasian Private Debt investment portfolio for Maple Financial Group from February 2003 to May 2006.

From 2012 to 2014, Tim also headed the Alternate Asset Management division of Tyndall Asset Management in Australia and was a senior member of the executive management team. This role also included ongoing management of the Causeway Financial portfolios and team during that period. Tim developed his debt market, treasury and risk management skills with Merrill Lynch for over 14 years in Asia Pacific and Europe. During this period Tim held a number of senior positions in the debt markets and treasury divisions, including Regional Treasurer, Head of Debt Markets Sales and Trading, Head of Debt Syndication and Origination and Regional Head, Asia Pacific Region for eBusiness.

Prior to joining Merrill Lynch, Tim spent six years with the Schroder's Group in Hong Kong and Sydney in a variety of Money Market, Treasury and Fixed Income trading and risk management roles.

Tim holds a BA (Macq), majoring in politics, economics and law and is a graduate of the Australian Institute of Company Directors.

### **Tim Davis – B.Ec (Syd), MBA (GWU)**

#### **Principal**

Tim has over ten years professional experience across both Australia and the United States including 4 years in Private Debt. At Causeway, Tim works with both the Investment origination and the Credit Portfolio team to originate, structure and analyse new lending transactions for our Fund and single asset investment vehicles. In addition, Tim manages the fund administration with external service providers.

Prior to joining Causeway, Tim was a Manager in KPMG's Management Consulting division. Tim also has experience in turnaround/restructuring at DVT Consulting and whilst completing an MBA spent time working for a Washington DC based Industry Peak Body.

Tim holds an MBA from the George Washington University in Washington DC and a Bachelor of Economics (major in finance) from the University of Sydney. Tim is also studying for his CAIA Level One exam at present.

### 3 Summary of potential investment benefits

#### 3.1 Exposure to Private Debt returns

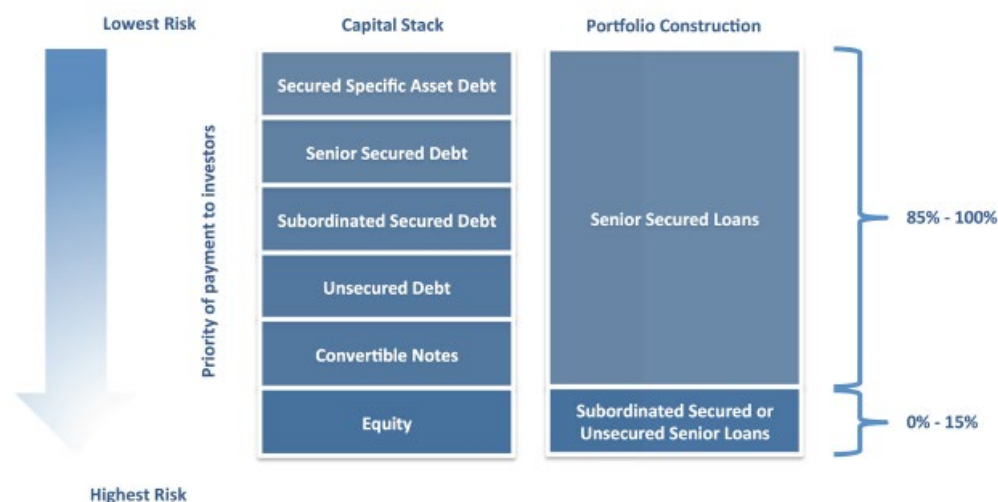
Private Debt markets have evolved over recent years to include a broad range of lending strategies including corporate and syndicated lending, mortgages, peer-to-peer platform lending and infrastructure debt markets. Private Debt can broadly be described as debt which exists in direct loan or securitised form.

Investing in the Corporate Credit Fund provides exposure to a specific sector of Private Debt markets, being the SME and middle market corporate lending sector in Australia. The Corporate Credit Fund will provide investors with exposure to a portfolio of SME and middle market corporate loans which are originated, researched, structured and monitored directly by the Manager.

The Corporate Credit Fund will target investor returns, net of fees and expenses, of 9% per annum to achieve better than average ASX-listed equity dividend returns without annual volatility experienced from listed shares, while holding security that ranks ahead of equity.

#### Capital structure – Corporate

The capital structure hierarchy of a corporate borrower can be summarised as follows, which includes the types of loan exposure that the Master Fund may undertake when constructing its portfolio:



Corporate Credit Fund investors will benefit from:

- **an experienced and active management team:**
  - an Australian Private Debt specialist Manager;
  - investment team members that have significant direct lending market experience and experience originating, structuring, negotiating, executing, managing portfolio risk and recovering SME and middle market corporate loans;



- **quarterly cash distribution with low risk of capital loss:**
  - a minimum fixed quarterly cash distribution of 2% (8% per annum) - subject to income availability with a target return of 9%+ per annum, net of fees and costs of managing the Corporate Credit Fund, through the economic cycle and the payment of cash distributions to investors on a quarterly basis;
  - The first distribution following year end (30 June) may include an additional variable amount calculated using any excess performance of the Fund during the previous financial year beyond the 8% fixed amount; and
  - SME and middle market corporate loans will be written with either fixed or variable interest rates with lender protections, such as security collateral and guarantees, resulting in expected low loss rates due to default;
  
- **attractive risk-adjusted returns:**
  - Australia's SME and middle market corporate loan market offers attractive risk-adjusted returns and is becoming more accessible for non-bank lenders;
  - Australia's legal and regulatory systems are considered stable and secure for lenders; and
  
- the Master Fund's portfolio is exposed to a diverse range of Australian industries, underlying asset pools and credit quality. This is expected to continue. As at 31 January 2023 this included more than 10 ANZIC industry sectors as defined by IBIS World the opportunity to invest in a diverse sector of Australian Private Debt markets:
  - an investment in the Corporate Credit Fund provides asset class diversification for investors by direct lending to Australian SME and middle market corporates; and
  - loans offer stable, competitive yields and a low risk of capital loss; and
  
- **a competitive fee structure:**
  - the fee structure under the Investment Management Agreement includes a management fee each month of  $1/12 \times 1.25\%$  of the Net Asset Value of the Corporate Credit Fund, calculated and payable to the Manager monthly in arrears;
  - expense recovery will be capped at 0.50% per annum of the Net Asset Value of the Corporate Credit Fund (which is inclusive of the Trustee's fee for performing its function as trustee of the Corporate Credit Fund) giving a total MER of 1.75%.
  - The Manager will pay a distribution fee to Partners Private from its own management fee and this included in the capped MER of 1.75%.

### 3.2 Positive Private Debt lending outlook

Private Debt lending opportunities in Australia have existed for many years but access to the various sectors of the market by non-bank lenders has increased significantly since 2015. The evolving regulatory impact of APRA capital reserve requirements, combined with Royal Commission outcomes, has caused Australian banks to reduce their lending exposure to the SME and middle market corporate loan sector.

Independent studies of demand for loans by enterprises in the \$5 million to \$300 million revenue sector have identified more than 50,000 such enterprises exist in Australia as part of the SME and

middle market corporate loan sector. The overall borrowing requirement for this sector is estimated to be in excess of \$460 billion by APRA.<sup>1</sup>

### **3.3 Experienced management team**

The Corporate Credit Fund will be overseen by the experienced team of officers of both the Trustee and the Manager. Refer to section 2 for details about us and our officers.

Management of the Corporate Credit Fund is to be provided by the Manager, who has been appointed as the investment manager of the Corporate Credit Fund by the Trustee under the Investment Management Agreement.

Each member of the senior management team of the Manager has in excess of 30 years of experience in global debt markets, with the past 15 years involved specifically in Australian Private Debt markets. During the past 15 years, the management team has originated, managed or administered more than \$1.5 billion of Private Debt loans and mortgage portfolio assets. The management team launched their first Private Debt opportunities fund in 2007 to invest in direct loans to the Australian SME and middle market corporate loan sector, having previously managed proprietary portfolios on balance sheet for investment partners between 2004 and 2007.

During the period since 2004, including during the Global Financial Crisis, the management team developed its credit focus on capital stability in lending strategies. This drives their focus on the benefits of legally effective security structures, strong covenants and proactive recovery actions, where necessary. The Manager will also seek to be the sole or primary/lead lender of record to the underlying borrowers so that it can control loan structuring, monitoring and any remedial actions, if needed.

The Manager's credit team apply an active credit analysis process developed through in excess of 25 years of credit and loan operations experience. The credit due diligence process combines extensive internal credit research with the use of external specialist advisors to inform underlying collateral valuation and analysis.

### **3.4 Loan origination and scalability**

The Corporate Credit Fund will build the investment portfolio by originating loans through a network of trusted advisors. The management team has established a diverse range of relationships with accounting firms, boutique corporate advisory and debt advisory groups, and private equity and legal firms over the past 15 years. These trusted advisors are typically retained by borrowers and will provide access to ongoing referrals from their networks.

The Manager will typically write loans ranging from \$2.5 million to \$25 million secured by diverse collateral packages including trade debtors, inventory, plant and equipment, intellectual property and where available, real estate. The Manager estimates that as banks continue to withdraw from this form of lending, the opportunity to provide loan solutions to the SME and middle market corporate sector of the Private Debt market will approach 20% of the overall market size or in excess of \$80 billion based on APRA statistics.

### **3.5 Investment returns**

The Master Fund seeks returns from investment into a portfolio of Private Debt loans, targeting capital preservation and focused on generating a target portfolio return, net of fees and expenses, in excess of 9% per annum.

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<sup>1</sup> East & Partners, Australian Business Credit Market, March 2018.

Distributions will be paid quarterly, at a fixed rate of 2% per quarter (8% per annum) subject to income availability. The Manager, the Trustee and their respective officers, associates, and related entities, do not guarantee the payment of income on, or return of capital of, an investment in the Corporate Credit Fund. Distributions are automatically deposited to your nominated Australian financial institution account via electronic funds transfer.

You can keep track of your investment with regular Distribution statements and annual tax statements.

### **3.6 Low correlation to core asset classes**

Private Debt is considered an alternate asset class due to its low or negative correlation with public equity and debt asset classes. Private Debt returns from loans to the SME and middle market corporate sector can achieve higher, risk adjusted income returns than ASX listed company dividend returns with the associated capital stability of debt. Exposure to this sector of Private Debt markets provides an attractive risk/return profile in the 'hunt for yield' and currently returns more than 3 to 4 times the annual income from bank term deposits and government bonds. Research by Citigroup and Morningstar in 2015 showed that historical correlations of Australian Private Debt returns to the S&P/ASX 200 index are negative, and to the Bloomberg AusBond composite index are less than 0.40.<sup>2</sup>

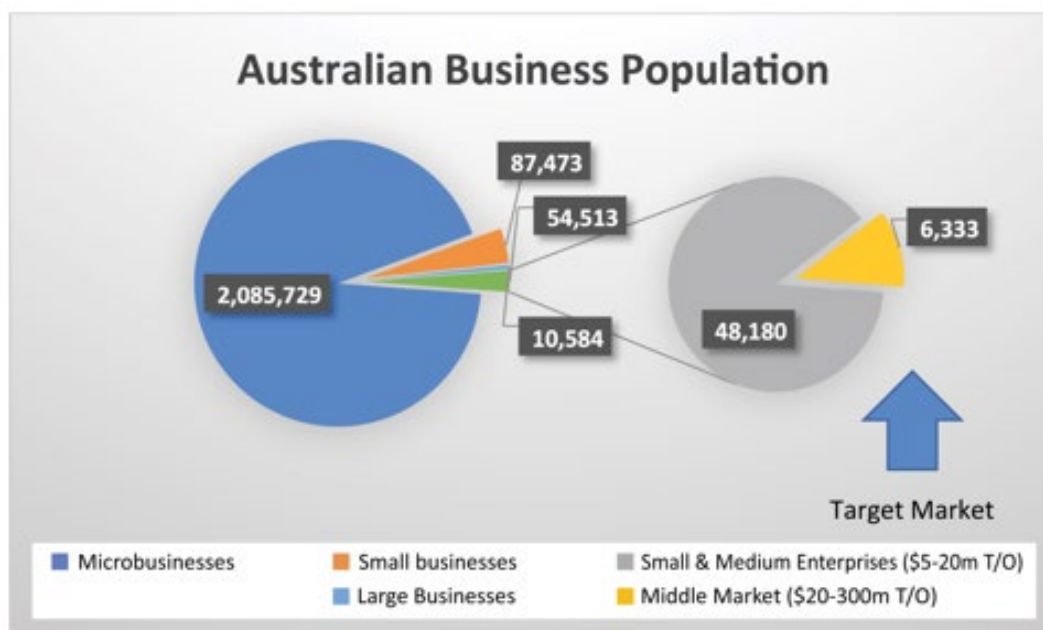
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<sup>2</sup> Australian Private Debt (Part One), The Journal of Superannuation Management, August 2018.

## 4 Investment opportunity

### 4.1 Australian SME and middle market corporate loan market

The Manager believes that the Australian SME and middle market corporate loan sector is an attractive area to originate, structure and invest in as part of the Private Debt asset class for the Corporate Credit Fund, from a risk-reward perspective.



*Source: ABS, East & Partners*

After first researching the market opportunity in 2003 and then commencing active lending in 2004, the management team of the Manager has managed more than \$400 million of SME and middle market corporate loan facilities and \$1.55 billion of mortgage loan portfolio assets since that time. The core senior management and credit team of the Manager have now worked together since 2006. The Manager has identified the following key characteristics of the SME and middle market corporate loan sector in the region, which have provided the impetus and foundation for the Corporate Credit Fund's investment strategy and process:

- Target loans in the \$2.5 million to \$25 million range from small to medium size corporate enterprises with revenues generally ranging from \$5million upwards to \$300 million.
- According to a recent analysis by the East & Partners, this market is represented by over 50,000 enterprises in Australia.<sup>3</sup>
- The overall borrowings for these enterprises in Australia is estimated to be \$464.7 billion in 2018 and forecast to grow at an average rate of 9%+ per annum.
- The above target loan market accessible to the non-bank financing sector is estimated to amount to over \$60 billion of total loan demand based on the analysis.

<sup>3</sup> East & Partners, Australian Business Credit Market, March 2018.

(a) **Market risk and return**

SME and middle market corporate loans generally provide lenders (and fund investors) with a high degree of capital stability. Lenders have a range of different security options and covenant tests available to preserve their capital against risk of loss. This may include:

- mortgages over real property;
- charges over equipment, receivables, inventory and other assets such as intellectual property; and/or
- guarantees, either personal or director issued.

Based particularly on its experience through the Global Financial Crisis, the Manager believes the SME and middle market corporate loan market offers attractive risk-adjusted return characteristics compared to other Private Debt investment alternatives, due to the protections offered by secured collateral support.

(b) **Market diversity and loan types**

The profile of the SME and middle market corporate loan market has significant diversity in terms of industry representation, credit quality and loan tenors:

- The SME and middle market corporate loan market comprises a variety of industry sectors. SME and middle market corporate loans provide a variety of credit risk exposures which are typically sub investment grade but may be enhanced by the diversity of their underlying collateral pools (such as debtors);
- Loans are generally provided to borrowers for a tenor of 1 to 5 years with either fixed terms or revolving lines of credit (a flexible loan structure that allows a borrower to draw down and repay the loan on an ongoing basis subject to collateral support); and
- Loans can be structured as either bullet repayment or amortising to term. All loans written by the Manager will require interest to be serviced by the borrower on a monthly or quarterly basis.

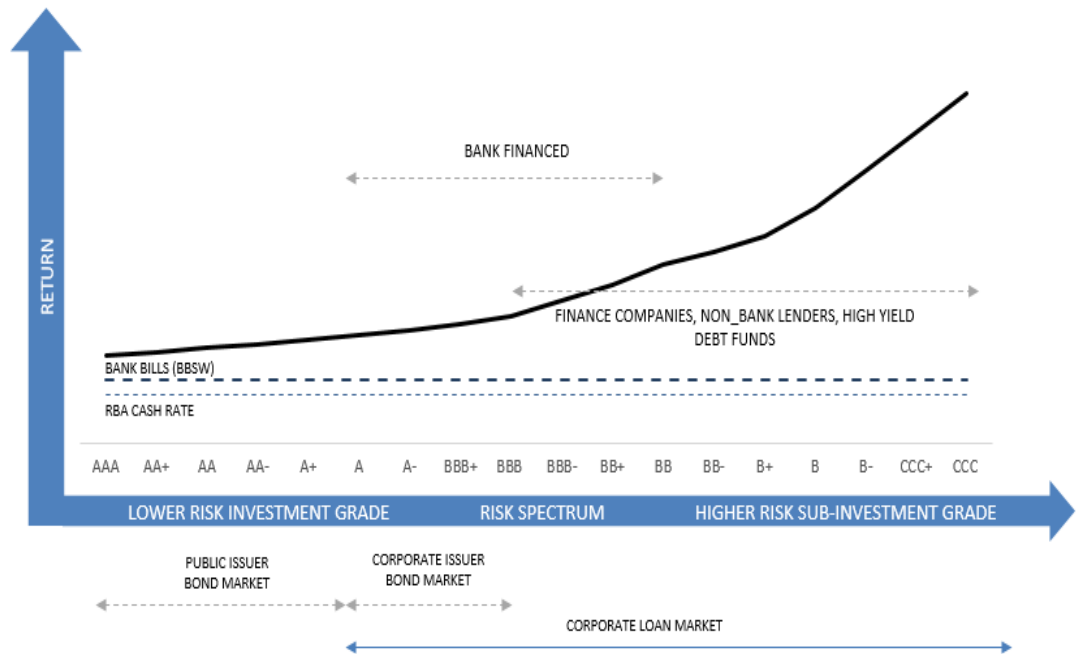
(c) **Barriers to entry**

The SME and middle market corporate loan market has substantial barriers to entry which make it difficult for lenders to participate:

- The Bank for International Settlements ('Basel Committee') minimum capital regulations now make it capital intensive for banks to participate due to the impact of non-real estate collateral on their balance sheet reserves;
- Building a diversified portfolio that mitigates individual borrower and industry risk requires a deeply experienced credit team and process, as well as a deep loan origination network;
- Lenders must work closely with qualified legal advisors to create bespoke and effective legal documentation to secure their loan collateral exposures;
- SME and middle market corporate loans are not exchange or capital market traded making them difficult to access without credit, legal and structuring expertise; and

- SME and middle market corporate loans are privately negotiated transactions and require hands on monitoring of collateral security and financial performance of borrowers.

These characteristics have traditionally resulted in investors having limited direct exposure to the majority of Australia's SME and middle market corporate loan market and this is a key driver of the attractive risk-adjusted returns on offer.



## **5 Investment approach**

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### **5.1 Investment Objective**

The Corporate Credit Fund's Investment Objective is to invest in Private Debt loans to SME and middle market corporates focused on generating a target portfolio return, net of fees and expenses, of 9%+ per annum, with low correlation to publicly traded asset classes and a focus on preservation of capital, with the objective of providing investors with regular fixed quarterly Distributions. The Corporate Credit Fund seeks to achieve its Investment Objective by investing the majority of its funds in the Master Fund and occasional exposure to debt assets via participation agreements with the Master Fund or direct loans with another Causeway entity.

### **5.2 Investment Strategy**

The Master Fund's Investment Strategy is to originate a diverse portfolio of Australian SME and middle market corporate loans, with exposure to a range of borrowers across industries and credit quality.

Through the Investment Strategy, the Corporate Credit Fund provides borrowers with flexible, timely and innovative Private Debt financing solutions. Generally, beyond the scope of traditional debt and working capital providers, these solutions are based on criteria such as credit worthiness of borrowers' counterparties, value of inventory and raw materials, cash flow streams and contracted customer relationships rather than solely on the client's balance sheet or operating history.

The Master Fund may invest up to 15% of the portfolio opportunistically in special situations, subordinated or unsecured loans (which may also attract participation in an economic value uplift of the borrower, which will be monetised as a result of agreed trigger events). The Master Fund's core focus is to lend to growing companies with diverse collateral pools and cash flow support.

In order to be able to access any investment opportunities that may be available in the Private Debt market for SME and middle market corporate borrowers, the Master Fund will look to take advantage of any Private Debt financing solutions however structured that may be available and will satisfy the Investment Objective for the Corporate Credit Fund.

### **5.3 Fund diversity targets**

When fully invested (portfolio size greater than \$100mn), the Master Fund will seek to achieve no more than 10% exposure to each individual loan. The underlying diversity of the portfolio will also be enhanced by the granular nature of any debtor/receivables books, which comprise borrower collateral support.

### **5.4 Portfolio construction and investment process**

The Master Fund principally invests in financial accommodation (which will primarily be loans) provided to Australian SME and middle market corporates and any financial instruments that may be issued in connection therewith. The interest of the Master Fund in any financial accommodation may arise through a number of different means that may be available to the Fund including:

- (a) providing either alone or with other investors financial accommodation directly to borrowers including acquiring any existing loans as a lead or co lead investor in any portions thereof;

- (b) participating in any financial accommodation by way of sub-participations;
- (c) purchasing units in a dedicated loan warehouse trust or similar trust fund which is a lender to or has direct or indirect interests in financial accommodation made available to borrowers;
- (d) making either alone or with other investors, financial accommodation to a dedicated loan warehouse trust or similar trust fund which is a lender to or has direct or indirect interests in financial accommodation made available to borrowers;
- (e) investing in any financial instruments which relate directly or indirectly to any financial accommodation made available to borrowers.

Any financial accommodation which the Master Fund has provided or has an interest in will have the benefit directly or indirectly of senior security - except for 'special situations' which shall comprise no more than 15% of the portfolio opportunistically. Special situation loans may comprise subordinated or unsecured loans as outlined in the Investment Strategy above.

In the case of a loan participation or a warehouse trust investment, the Master Fund may not be the lender of record or hold any security directly depending upon the nature of the interest that the Master Fund will hold, however that interest will be held by the relevant lender or security holder or the warehouse trust, as applicable, for the benefit of the Master Fund. All investments will continue to be assessed, monitored and approved by the Manager on behalf of the Master Fund.

The loan warehouse trust or similar trust fund will typically have an external trustee and will appoint the Manager to manage all investments in the trust on behalf of the various fund vehicles offered by the Manager over time that may invest in the trust.

Other considerations in the investment process include:

(a) **Loan origination**

Loan origination is conducted by the Manager through an established network of trusted advisors developed over many years. These advisors include accounting firms, boutique corporate advisors, private equity groups, debt advisory groups and other financial services entities including investment banks, stockbrokers etc. The initial credit review focuses on whether the potential transaction meets the credit, security and pricing criteria required by the Master Fund. Subject to meeting these criteria, the Master Fund's credit personnel will prepare a preliminary review document for the Credit and Investment Committee (**CIC**) for approval to provide a non-binding loan offer letter to the potential borrower pursuant to the terms proposed to the CIC.

(b) **Due diligence and structuring**

Subject to the borrower accepting the terms of the offer and paying a due diligence fee deposit to cover the Master Fund's out of pocket costs, the Master Fund's in-depth due diligence and loan structuring process begins. This process will typically involve working with lawyers, credit agencies, proprietary online search tools, specialist industry advisors and key principals of the borrowing entity. During this process, a full credit memorandum is prepared for the CIC.

(c) **CIC review**

The CIC will is comprised of external and internal credit team representatives, it operates independently of the Master Fund's origination personnel and the two directors of the



Manager. The CIC meets regularly on an as needs basis to assess the credit memorandum to ensure that it meets with the parameters of the Master Fund and is in accordance with the Master Fund's credit guidelines. The CIC must unanimously approve all loan requests for inclusion in the Master Fund.

(d) **Legal documentation and closing**

Upon receiving approval by the CIC, the Master Fund assigns appropriate external legal counsel from a panel of legal firms which is considered most appropriate to the type of loan. The Master Fund's credit and operations personnel then work closely with legal counsel to ensure that documentation is executed to reflect and perfect the required security position.

Prior to closing, legal counsel is required to prepare a legal summary memorandum that confirms the legal elements of the transaction accord with those approved by the CIC. Upon receipt of this confirmation, the Master Fund's credit personnel instruct credit operations and administration personnel to effect settlement via the Custodian pursuant to operations checklist closing procedures.

(e) **Ongoing portfolio risk management, monitoring and valuation**

Credit and collateral risk management is performed on an ongoing basis by credit management and operations personnel to monitor portfolio performance. This process occurs at an overall portfolio level and individual position level and may also be supported by use of external review consultants and auditors to ensure that any deterioration in the underlying loan facilities is identified, addressed and rectified when necessary.

In the event of a breach of loan covenant or other default event, the CIC will determine appropriate rectification and recovery action strategies. Where appropriate, the CIC may appoint external advisors to commence business remediation or asset recovery actions as considered appropriate to preserve investor capital.

Loans will be valued at par (original issue price) plus accrued interest, unless impaired. In the event of impairment, the Manager will seek independent valuation of the loan assets to assess recoverability and adjust the Master Fund Net Asset Values accordingly.

## 6 Investment characteristics

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The Master Fund will typically have the following investment characteristics as a result of the underlying Investment Strategy and approach:

- (a) **(credit rating)** The underlying loans will typically be unrated or sub investment grade loans, it is not proposed to seek a credit rating for the overall portfolio.
- (b) **(currency exposure)** The Master Fund will invest only in Australian dollar denominated loan assets, even though a borrower may have underlying foreign currency exposures on secured assets. The Manager may require the borrower to currency hedge asset exposures where the foreign currency security assets represent more than 20% of the overall loan collateral.
- (c) **(interest rates)** The Master Fund may engage in interest rate hedging to manage significant movement in underlying interest rate benchmarks. The Manager is currently writing most loans at fixed rate levels to deliver the target return. In the event that the Manager is to write loans on a floating rate basis, an interest rate floor level will be built into documents to ensure that a significant decline in interest rates did not cause the returns to decline below the portfolio target return levels.
- (d) **(liquidity)** The underlying loans in the Master Fund are typically illiquid assets which are not supported by an active secondary market.
- (e) **(leverage)** The Master Fund will not seek to use leverage to enhance returns but may borrow up to 20% of the value of the underlying assets to manage liquidity during Master Fund ramp up phases.
- (f) **(loan participations)** The Master Fund may achieve exposure in direct loans written by the Manager via participation instruments. This allows the Master Fund or the Credit Fund to seek a *pari passu* exposure to the loan security whilst sharing ownership of the loan with associated investment vehicles of the Manager or external investors. Loan participations also enable the Manager to achieve diversity for the Master Fund as a function of total portfolio size.
- (g) **(valuation)** The valuation of SME and middle market corporate loans reflects that they are not generally available for sale. Credit risk rather than market risk is the key risk reflected in the asset valuation. Credit risk is assessed in terms of the probability that a borrower may default, the balance of the loan at the time of default and the anticipated loss given default has occurred.

## **7 Loan and investment details**

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### **7.1 What is the role of the Trustee?**

The Trustee holds the assets on the Corporate Credit Fund on trust, acting on the directions of the Manager and monitoring the Manager's performance to satisfy itself that the Corporate Credit Fund is operating in accordance with the Constitution.

The Trustee's AFS Licence authorises it to provide particular financial services and to act as trustee of the Corporate Credit Fund.

### **7.2 What is the role of the Manager?**

The Manager is responsible for identifying investment opportunities, assessing and approving Loan applications, negotiating Loan terms and conditions, setting Loan interest rates, administering Loans, preparing Loan Agreements and security documents, collecting interest payments and paying Distributions, and managing the Master Fund and the Corporate Credit Fund in accordance with the Investment Management Agreement.

The Manager's AFS Licence authorises it to provide those financial services associated with acting as manager of the Fund.

### **7.3 Subscription amount**

We will only proceed with a Loan if funds have been received from Investors which are sufficient to meet that Loan or the Loan Participations to be purchased. The Manager will draw down each investor's subscription amount on a quarterly basis to meet the investment funding required to provide a Loan.

### **7.4 Payment of Distributions**

Payment of Distributions will be dependent upon the borrowers meeting their obligations and making Loan interest payments in full and on time in accordance with their respective Loan Agreements.

Fixed Distributions of 2% per quarter (8% per annum) subject to income availability will be paid to investors in the Fund.

In addition, the first Distribution following year end (30 June) may include an additional variable amount calculated using any out-performance of the Fund during the previous financial year above 8% per annum net of fees and expenses.

Subject to the availability of funds, Distributions will be paid by electronic funds transfer into your nominated Australian financial institution account.

The transfer of Distributions to your account will typically occur within 14 days of the end of each Distribution Period.

### **7.5 Early withdrawal by investors prior to expiry of the Term**

Once invested, you will not be permitted to withdraw your investment until liquidity becomes available following expiry of the Term (18 months from the date of first issue of Units to each incoming investor in the Fund).

## **7.6 Repayment**

Once your funds have been invested in the loan portfolio, you will generally not be permitted to withdraw your investment.

Repayment of your investment is dependent upon the borrowers repaying their Loans under the respective Loan Agreements.

Following expiry of the Term, the Trustee may make a withdrawal offer where liquidity is available to unitholders.

The withdrawal offer may be closed by the Trustee in certain circumstances including where unitholders holding more than 5% of the units on issue apply to redeem their units on any one redemption date or when the total redemptions reach 20% in any financial year.

## **7.7 Repayment or investment**

You will only be entitled to receive repayment of the capital you have contributed once the borrowers repay their Loans under their respective Loan Agreements.

We maintain lending policies with the objective of protecting the capital invested by investors and facilitating the repayment of capital at the appropriate time. However, we do not guarantee the performance of the investment offered in this IM, including the repayment of capital invested.

When funds are repaid to investors (including where such funds are reinvested) upon repayment or partial repayment of a Loan, the corresponding number of Units are cancelled.

## **7.8 Loan terms**

Loans will typically range from one year to five years in duration with a preference for three-year maturities. The expected duration for a fully invested Fund may be shorter than three years on average due to early repayment experiences that often occur as a result of borrower corporate activity.

## **7.9 Loan purposes**

The purposes for which the Loans are utilised by borrowers may include wholesale equipment finance, inventory finance, vendor finance programs, trade receivables finance, pre-securitisation warehouse finance, working capital, acquisition finance, and real estate loans.

## **7.10 Loan interest**

Loans will typically attract a high headline interest rate of 9% or more per annum, plus Loan establishment fees, line fees, early repayment fees, and default interest fees.

## **7.11 Interest frequency payment**

Under the terms of each Loan Agreement, interest is generally payable on a monthly or quarterly basis.

## **7.12 Loan security**

Loans will generally be secured by:

- (a) a first or second ranking registered mortgage over real property; or

- (b) a first or second ranking registered general security agreement over the borrower's assets.

Loans may also be supported by additional security such as guarantees from the directors or owners of the borrower.

However, subject to investor agreement, the Fund may also make Loans which are unsecured.

### **7.13 LVR**

The manager will seek to achieve a blended LVR across the portfolio of senior secured loans of between 65 and 75%.

### **7.14 Early repayment**

Generally, a borrower has the option to repay their Loan at any time during the Loan term, subject to early repayment fees.

### **7.15 Lump sum repayments**

Generally, a borrower may make partial repayments against their Loan, subject to early repayment fees.

### **7.16 Borrowings**

The Constitution allows the Trustee to borrow for the Fund and pledge the assets of the Fund as security. However, the Trustee does not intend to borrow on behalf of the Fund in relation to any Loan (other than at the direction of the Manager to assist cash management of interim loan transaction funding for no more than 20% of the total Fund size).

## **8 Risks of investing**

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Before deciding whether to invest in the Corporate Credit Fund, it is important that you understand the risks that can affect your investment. All investments are subject to risk, and investments may not perform as expected resulting in a loss of capital or income to investors or may not ultimately meet an investor's objectives.

Risk management is a key component of any credit sensitive lending strategy and is an ongoing focus of the portfolio management process. Investors should be aware that there is no guarantee that the implementation of the investment objective or strategy will not result in losses to investors. The return of capital and the performance of the Corporate Credit Fund are not guaranteed by any person or organisation, including the Trustee or the Manager.

Therefore, each investor should carefully consider the risks of investing and where necessary seek professional advice as to the suitability of investing in the Corporate Credit Fund. You should give consideration to the following risk factors, as well as the other information contained in this IM before investing in the Corporate Credit Fund.

### **8.1 Borrower default risk**

The significant risks for debt investments are defaults on a Loan by the borrower and that the sale proceeds from the collateral securing the Loan are insufficient to meet the principal and interest outstanding.

A key risk is that a borrower may not be able to meet interest payments or repay its Loan in accordance with the terms of the Loan Agreement. Default may be caused by a number of factors including a change in a borrower's circumstances, significant economic changes, changes to market conditions or other unforeseen events or circumstances.

The Manager notes that borrower default risk may increase during the current COVID-19 outbreak. To date, the Master Fund has invested in loans in industries that appear less likely to be exposed to default risk associated with the impact of COVID-19. The Manager will continue to actively manage loan exposures by keeping regular contact with our borrowers and responding to any restructure requests which might assist in reducing any default risk.

### **8.2 Interest rate risk**

There is a risk that significant upward changes in interest rates may have a negative impact directly or indirectly on the investment values or income stream. If interest rates were to fall in the case of a floating rate Loan, the Fund Manager will typically write minimum interest rate floor levels into such agreements.

### **8.3 Leverage risk**

The Master Fund may be exposed to gearing. Gearing means the Master Fund will borrow money to provide additional funds to provide liquidity support or to implement investment strategies.

### **8.4 Derivative risk**

Derivatives and money market instruments may also be utilised by the Master Fund to manage interest rate risk. Derivative risks may include the value of the derivative failing to move in line with that of the underlying asset, potential illiquidity of the derivative and counterparty risk where the counterparty to the derivative contract fails to meet its obligations under the contract.

## **8.5 Inadequacy of security**

If a borrower defaults, the Master Fund will rely upon the security arrangements in place (if any) to recover the Loan principal, interest and any other amounts due to the Master Fund. It is possible that the value of assets secured in respect of a Loan may be inadequate to cover the full amount of money outstanding to the Master Fund.

This may occur due to a variety of reasons, including a decline in a borrower's financial position leading to lower cash flows or a lower value attributable to the security property, and enforcement of the security taking longer than anticipated.

If the Loan is unsecured, the Master Fund's right to recover the Loan will rank equally with any other unsecured creditors and behind any secured creditor of the borrower. Accordingly, if a Loan is unsecured and the borrower is unable to meet its obligation to repay the Loan, pay interest on the Loan or both, it is likely investors will not receive the income return expected and may suffer a capital loss.

In circumstances where particular loans assets have inadequate security arrangements or where recovery proves difficult and protracted, the Trustee may elect to segregate those loan assets to a new unit class that is separate from the other classes in the Master Fund as a 'Side Pocket'. Assets in the Side Pocket would, in all likelihood, be managed by specialist debt recovery experts appointed by the Trustee. Investors in the Corporate Credit Fund would receive a pro-rata allocation to new units created in the Side Pocket unit class of the Master Fund.

## **8.6 Loan recovery**

If the Master Fund is required to enforce the terms of any security arrangement to recover the Loan principal, interest or other outstanding monies, this may involve the sale of security property. The sale of assets may take time and this delay may temporarily leave the Master Fund with insufficient cash to meet distributions to investors or to repay investments in a timely manner.

## **8.7 Counterparty risk**

There is a risk that another party to a contract in which the Master Fund has an interest may default on their contractual obligations.

## **8.8 Diversification risk**

There is a risk that assets are not diversified across industry sectors, geographies or underlying collateral assets.

## **8.9 Fund risk**

There are various specific risks associated with the Corporate Credit Fund, including termination and a change in fees and expenses, and consequences of investment decisions made by other investors in the Corporate Credit Fund.

## **8.10 Liquidity risk**

Private Debt investments are relatively illiquid compared to some other more traditional debt and equity asset classes. Lack of liquidity or market depth may affect the valuation of the Master Fund's assets if it needs to realise underlying collateral or other assets quickly.

An investment in the Corporate Credit Fund should be treated as an illiquid medium to long-term investment because there is no secondary market for Units. If you wish to exit your investment

prior to the end of the relevant Term, you will need to find a buyer for your Units and the buyer will need to be a Wholesale Investor. The Trustee will consider Redemption applications made on a 'hardship' basis but reserves the right to refuse such applications on the basis of liquidity and in its sole discretion.

### **8.11 Valuation risk**

Although we take precautions to ensure all valuations are accurate and reliably obtained, there is a risk that a valuation will be fundamentally flawed. This can occur, for example, if the wrong methodology is used, if comparable properties or assets relied on are not truly comparable or if the assumptions and data about an asset that the valuer relies upon are false or incomplete.

If a valuation being relied upon is wrong, this can increase the chances of a shortfall of funds to meet the Loan, capitalised costs and any other amounts owed. Our policy is to carry all loans at par plus accrued interest unless impaired.

### **8.12 Related party and conflict of interest risk**

The Master Fund maintains the ability, and has the discretion, to lend to related parties. The key risk posed by transacting with a related party is that we may fail to sufficiently:

- (a) monitor Loans made to or the performance of obligations by;
- (b) take action against; or
- (c) in the event of a default, enforce any security against,

a related party, to the detriment of investors.

We manage such risks and potential conflicts of interest by adhering to our conflict policy.

### **8.13 Compliance risk**

If we fail to comply with our AFS Licence conditions, the Constitution, the Investment Management Agreement, or Corporations Act, it will likely have an adverse impact on you and the value of your investments. This may result in:

- (a) the Corporate Credit Fund or Master Fund being wound up; or
- (b) us being removed as the manager of the Corporate Credit Fund or Master Fund.

### **8.14 Key personnel risk**

There is a risk that key personnel who are significant to the management of the Corporate Credit Fund or Master Fund become unable or unavailable to perform their role. The risk is that changes in our management or the loss of key personnel may result in us not adequately monitoring and overseeing the approval, management and enforcement of Loans, thus increasing the risk of policies and procedures not being adhered to. As at the date of this Information Memorandum, all of our staff remain healthy and free of any Covid-19 symptoms or associated illness.

### **8.15 Regulatory risk**

There is a risk that changes to the regulatory environment or the financial services industry may, either directly or indirectly, affect the value of an investment in the Corporate Credit Fund.



### **8.16 Taxation risk**

Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you.

Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Corporate Credit Fund. You should consult your own taxation adviser to ascertain the tax implications of your investments. See section 11 for further information.

### **8.17 Cyber and information security risk**

There is a cyber and information security risk associated with electronic storage of information and data. However, the Manager has recently upgraded its computer systems and software platform across Office 365 and Sharepoint to ensure integrity of data and offsite storage of back up data. The Manager also maintains appropriate disaster recovery policies and procedures to continue operation in the event of major disruption to its principal office location. The Manager has enacted its business continuity plan in March 2020 due to Covid-19 lockdown requirements and all staff worked effectively and efficiently from their home office locations. There has been a return of staff to the CBD in late 2020 accordance with the relaxing of health guidelines in New South Wales.

### **8.18 Macro economic risk**

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may affect:

- (a) a borrower's ability to meet its obligations under a Loan Agreement;
- (b) the market value of security property; or
- (c) the Corporate Credit Fund's performance and thus the value of your investment.

Investment returns are influenced by market factors. These factors may include changes in economic, legislative (including changes to taxation policy and/or laws in Australia and/or abroad) and political environment. Changes in such conditions can affect the ability of a borrower to repay a Loan, the value of property or other assets held as collateral or security, the value of interest income which in turn may impact on the value and returns of the Corporate Credit Fund. This is an inherent risk associated with all managed funds.

The Manager has adjusted its inhouse economic indicator methodology for the COVID-19 outbreak. It monitors ten (10) economic indicators on macro-economic activity and potential portfolio impacts thereof. As always, these indicators will form part of our overall investment strategy assessment as we identify appropriate opportunities for investment in the private debt market.

## **9 How to invest in the Corporate Credit Fund**

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### **9.1 Wholesale Investors only**

An investment offered under this IM is restricted to Wholesale Investors only, being persons who are either a wholesale client as defined in section 761G of the Corporations Act or a sophisticated investor under section 761GA of the Corporations Act.

Wholesale clients include:

- (a) a person who has earned a gross income of at least \$250,000 in each of the last two financial years, as confirmed by a certificate from a qualified accountant (as explained on the Application Form) which is not more than 24 months old. In determining a person's gross income, the income of any company or trust they control can be included;
- (b) a person who has net assets of at least \$2.5 million, as confirmed by a certificate from a qualified accountant (as explained on the Application Form) which is not more than 24 months old. In determining a person's net assets, the net assets of any company or trust they control can be included (as confirmed by an accountant);
- (c) a person who invests a minimum of \$100,000;
- (d) a related body corporate of a company which is a wholesale client; and
- (e) a company or a trust controlled by a wholesale client.

Wholesale clients also include professional investors, being:

- (a) Australian financial services licensees;
- (b) trustees of a superannuation fund, approved deposit fund, pooled superannuation trust or public sector superannuation scheme within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth) and the fund, trust or scheme has net assets of at least \$10 million;
- (c) persons who have or control gross assets of at least \$10 million;
- (d) listed entities and their related bodies corporate; and
- (e) foreign entities that, if established or incorporated in Australia, would be covered by any of the above.

A sophisticated investor is a person who is certified by a financial services licensee as having previous experience in using financial services and investing in financial products that allows the person to assess the merits, value and risks of investing in the Corporate Credit Fund, the person's own information needs and the adequacy of the information we provide.

### **9.2 Investment process**

To invest in the Corporate Credit Fund, please read the IM, and complete and submit the online Application Form via the Fund Registry, or complete and lodge a signed copy of the Application Form attached to the IM, to the Fund Registry. The Trustee will facilitate the issue of Units pursuant to this IM.

Your application monies should be paid when you submit your Application Form. Your Application Form will be processed and, once processed, the Fund Administrator or Fund Registry will contact you to confirm the receipt of your application and payment of application monies, you will then be issued Units.

### **9.3 Applications**

#### **(a) Minimum initial investment**

The minimum initial investment is \$100,000 subject to the Trustee's discretion to accept a lower amount. The Trustee may, on the recommendation of the Manager and in its discretion, raise or lower the minimum initial investment amount provided that the investor is a Wholesale Investor.

#### **(b) Minimum additional investment**

The minimum amount for additional investments (following the initial investment) is \$25,000, subject to Trustee's discretion to accept a lower amount.

#### **(c) Application acceptances**

The Trustee has an absolute discretion to decline an application and are not required to give a reason. Applications are accepted at the absolute discretion of Trustee at the direction of the Manager.

If your application is declined, you will be advised and you will not be required to pay your application money. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on rejected application monies.

#### **(d) Application process and cut-off times**

Applications can be made online via the Fund Registry or by completing the attached Application Form for initial investments or for subsequent additional investments, and forwarding it to the Trustee at the address details shown on the Application Form. Units will be issued on the first Business Day of each month (**Subscription Day**).

Cleared funds must be electronically transferred into the 'AMAL Trustees Pty Ltd ATF Causeway Corporate Credit Fund' (see application form for bank account details) no later than 2:00pm (AEST) on the day that is at least one Business Day prior to the relevant Subscription Day (or such earlier or later time as the Trustee may determine). The relevant Application Form must also be received by the Fund Registry no later than 2:00pm (AEST) on the day that is at least three Business Days prior to the relevant Subscription Day (or such earlier or later time as the Manager may determine).

The bank account details for the Fund are included on the Application Form.

### **9.4 Repayments**

The Fund is an open-ended fund with limited liquidity (repayment) opportunities. Investors may apply to redeem their investment in the Fund once the 18 month Term has expired.

Following expiry of the 18-month Term attached to the initial issue of units in the Fund, Redemption applications may be accepted by the Trustee on a quarterly basis and subject to liquidity considerations. The Trustee has discretion to close Redemption applications if they reach more than 5% of the Fund on any one redemption date or 20% in any Financial Year.

You must provide 90 days written notice of your intention to redeem some or all of your investment e.g. by 1 July for a 30 September redemption.

Redemption applications should be made in writing to the Fund Administrator (who will review before instructing the Fund Registry) using the details below:

AMAL Trustees Pty Limited ACN 609 737 064  
Level 13, 20 Bond St, Sydney NSW 2000 Australia

Ph: +61 2 9230 6700  
Att: Akther Hossain  
Email: [fundadmin@amaltrustees.com.au](mailto:fundadmin@amaltrustees.com.au)  
Web: <https://www.amal.com.au/>

## **9.5 Transfer of Units**

You should consider your investment as illiquid as there is no established secondary market (e.g. stock exchange) for the Fund. However, you may transfer your Units to another Wholesale Investor subject to the Constitution. You will need to submit a valid transfer request signed by both you and the buyer, and the buyer will need to provide such evidence as the Trustee requires to demonstrate their Wholesale Investor status and to comply with our obligations under the AML/CTF Act and any other applicable laws. You can obtain transfer forms by contacting us, using the details in the Corporate Directory.

## **9.6 No security interests or encumbrances**

A unitholder of the Fund may not, without the prior written consent of the Trustee, create, or agree to create, any security interest or other Encumbrance over any Unit.

## **9.7 Reporting**

### **(a) Quarterly investment reports**

Quarterly investment reports providing summary updates on the Fund [will](#) be provided soon after the end of the relevant quarter.

### **(b) Monthly statement**

A monthly Unitholding statement will be available upon request to investors.

### **(c) Annual investor statement**

An annual investor statement will be provided which summarises all your transactions for the year and provides an account balance on your investment in the Fund for the end of the year.

### **(d) Annual income distribution statement**

The Fund intends to distribute at least on a quarterly basis in respect of each financial year ending 30 June. A distribution statement will be issued following the end of each financial year.

### **(e) Annual tax statement**

A tax statement (showing the tax components of distributions made during the year) will be issued to you on an annual basis following the end of each financial year. This

statement will provide you with information that will assist you in completing your annual tax return.

(f) **Annual report**

The Manager will make copies of the Fund's annual report including the Fund's audited financial statements, available upon request.

(g) **Other**

You can access written confirmation of your investment in the Fund as well as the following regular updates via the Fund Registry:

- Distribution statements;
- regular updates on your investment; and
- an annual taxation statement.

## **10 Fees and expenses**

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The fees and expenses listed below are currently applicable for all investments in the Fund as at the date of this IM. The fee amounts listed are quoted exclusive of GST. The Manager will give investors prior written notice of any variation of fees or charges by the Fund.

### **10.1 Trustee fee**

Expense recovery will be capped at 0.50% per annum of the Net Asset Value of the Fund (which is inclusive of the Trustee's fee for performing its function as trustee of the Fund).

### **10.2 Management fee**

The Manager is entitled to a management fee each month of  $1/12 \times 1.25\%$  of the Net Asset Value of the Fund. The management fees are calculated and paid monthly in arrears and reflected in the Unit prices of the Fund (since they are paid out of the assets of the Fund).

### **10.3 Distribution fee**

The Manager has agreed to pay Partners Private a distribution fee for arranging for investors to invest in the Corporate Credit Fund. The Manager will pay Partners Private the distribution fee from its own management fee and it is a not separate expense to the Fund.

### **10.4 Fund expenses and transaction costs**

The Fund also incurs other expenses, such as audit fees, legal fees, administrator fees, registry fees, Custodian fees, distribution fees, transaction costs, , taxes, Fund formation costs and other expenses allowable under the Constitution. These expenses are not allowed for in the management fee listed above. The Constitution allows for such expenses to be paid directly out of the assets of the Fund or paid by the Trustee and reimbursed to the Trustee from the Fund. Under the terms of the Investment Management Agreement, the Manager's reimbursement for Fund expenses is currently capped at 0.50% (excluding GST) of the value of the assets of the Fund, per annum.

The Manager may charge borrowers separately for negotiating or establishing loan structures with their advisors. These costs are paid by the borrower directly or by the Master Fund at settlement.

### **10.5 General indemnity**

The Trustee indemnifies the Manager out of the assets of the Fund against any loss, claim or liability reasonably incurred by the Manager arising out of, or in connection with, the Manager or any of its officers, staff or agents acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Manager or its officers, staff or agents, except insofar as any loss, claim or liability is caused by the negligence, fraud or wilful default of the Manager or its officers, staff or agents.

## **11 Taxation**

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### **11.1 General information only**

Australian tax laws are complex and are subject to constant change. The views in this IM are based on law and announcements current in Australia as at the date of this IM. It does not take into account or anticipate any changes in the tax law or future judicial interpretations of the law after this time, nor does it take into account the tax law of countries other than Australia.

The taxation comments in this section are general in nature by necessity and the taxation implications may vary for each investor depending on their particular circumstances. Accordingly, we recommend you seek your own professional advice regarding the taxation implications associated with an investment in the Fund.

In this respect, the taxation comments below are only relevant for Australian resident investors. They are not relevant for investors who may be subject to special tax rules such as banks, insurance companies, managed investment trusts, tax-exempt organisations and dealers in securities.

You may be required to pay tax in relation to your investment in the Fund. However, you may be able to claim some tax offsets or obtain the benefits of some tax concessions.

Some tax information has been provided for you below. Although every care is taken, it is never possible to rule out the risk that on a subsequent review, taxation liabilities for the Fund could be increased or the benefit of concessions reduced.

### **11.2 Will I be liable to pay tax on Distributions made by the Fund?**

Under current legislation the Fund will not be subject to taxation provided its taxable income (including net capital gains) is distributed in full to investors each year.

The Fund will fully distribute its distributable income, calculated in accordance with the Constitution and applicable taxation legislation, to investors who are entitled to the income under the Constitution.

You may be liable to pay income tax on Distributions received from the Fund. This is the case even where Distributions are reinvested into the Fund or where no cash Distributions are made by the Fund to Investors. The tax impact for you in relation to Distributions from the Fund will depend on:

- (a) your personal tax position;
- (b) your marginal tax rate; and
- (c) the composition of the Distribution (i.e. the proportion of income or tax offsets making up the Distribution).

The Trustee will send you an annual statement indicating the taxable and non-taxable component of Distributions (including any tax offsets) for the financial year, to assist in the preparation of your income tax return.

Should the Fund realise a loss in any year, such losses cannot be distributed to investors but will be retained by the Fund and may be used to offset Fund net income in future years.

### **11.3 Capital gains tax**

If you are an Australian resident investor, when you withdraw or transfer Units in the Fund, you will generally be required to include the resulting capital gain or loss in your net capital gain calculation for the relevant income year. Tax should be payable on any net capital gain that you make for that income year.

### **11.4 Transfer duty**

Depending on the application of relevant State and Territory laws, transfer duty may be payable upon the transfer of Units in the Fund. Investors should seek professional advice in relation to the application of transfer duty prior to transferring Units.

### **11.5 Tax file numbers – Australian residents**

You can choose whether to provide your Tax File Number (**TFN**) on your Application Form. If you do not provide your TFN or claim an exemption, we are required to deduct tax at the highest marginal rate, plus the Medicare Levy, from your Distributions. We are authorised to collect TFNs under Australian tax law.

If you are a business taxpayer you may provide us with an Australian Business Number ('ABN') instead of a TFN.

### **11.6 GST**

The issuing and redemption of Units will not be subject to GST.

GST is not payable on a transfer of Units. However, you may incur GST on services that you acquire in relation to the acquisition, disposal or redemption of Units (such as legal or accounting advice). You should seek advice about whether you are entitled to claim input tax credits in respect of GST on those costs.

GST is not payable on Distributions made to you.

### **11.7 Withholding tax (overseas investors)**

We may be required to withhold amounts from Distributions paid to overseas investors. Overseas investors should seek independent advice as to the application of withholding tax to their particular circumstances.

### **11.8 Foreign Account Tax Compliance Act (FATCA)**

FATCA is United States (**US**) tax legislation that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities.

If you are a US resident for tax purposes, you should note that the Fund is a 'Foreign Financial Institution' under FATCA and complies with its FATCA obligations, as determined by the inter-governmental agreement entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund must obtain and disclose information about certain investors to the Australian Taxation Office (**ATO**).

In order for the Fund to comply with its obligations, we require that you provide certain information about yourself, including your US Taxpayer Identification Number. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received.



## **11.9 CRS**

The CRS is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (**OECD**). Australia has committed to implementing the CRS by signing the Multilateral Competent Authority Agreement with the OECD and passing appropriate supporting legislation enabling tax information to be exchanged between tax authorities.

The CRS requires financial institutions to identify and report foreign resident account holder information to their local tax authority, which will in turn exchange the information with the tax authorities of participating foreign jurisdictions.

### **11.10 Not tax advice**

This tax summary is not tax advice. It is provided by us as a general statement relating to high level Australian tax implications for an investor in the Fund. It does not address all tax consequences of an investment in the Fund, or investments by the Fund. Investors should seek their own independent advice as to how an investment in the Fund might affect their personal tax position.

We are not licensed under the tax agent services regime and cannot provide tax advice to investors. This section is intended to be a general guide only and is not intended to be definitive advice, nor relied upon as such. As the taxation outcomes will depend on individual investors' personal circumstances, it is recommended that all investors consult with their taxation adviser in relation to how these outcomes may apply to them.

## **12 Additional information**

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### **12.1 Nature of investment**

The Fund is an unregistered managed investment scheme structured as a unit trust and established by the Constitution. If you would like a copy of the Constitution, please contact us on +61 2 9998 7525 or by email at [info@causewayam.com.au](mailto:info@causewayam.com.au) and a copy will be provided to you free of charge.

When you invest in the Fund you acquire Units at the Issue Price advised to you in writing by the Manager.

### **12.2 Custody**

The custody function will be performed by the Trustee. The Trustee was founded in 1994 as a specialist third party servicer of loan receivables. The Trustee is an integrated provider of loan servicing, corporate trust and agency services and has over \$16 billion of funds under administration and supervision in Australia and New Zealand.

### **12.3 Audit**

The Trustee has appointed PKF Chartered Accountants as the auditor of the Fund. The Fund's financial statements will be audited annually and made available to unitholders as part of the Annual Report.

### **12.4 Trustee indemnified**

To the extent permitted by the Corporations Act and the law, the Trustee is indemnified out of the Fund against any claim, action, damage, loss, liability, cost, expense or payment which it incurs or is liable for, provided that it does not arise from its failure to properly perform its duties.

### **12.5 Investors' liability limited**

The Constitution seeks to limit the liability of investors to the amount of their investment plus other moneys payable to the Trustee or the Fund pursuant to the Constitution (if any). However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that investors' liability will be limited in a manner discussed above.

### **12.6 Complaints**

If you have a complaint about any aspect of your investment in the Fund, please contact the Complaints Manager:

(a) by post:

Level 5, 107 Pitt St,  
SYDNEY NSW 2000; or

(b) by email: [info@causewayam.com.au](mailto:info@causewayam.com.au)

### **12.7 Labour standards and social, ethical and environmental considerations**

While we do not explicitly take into account these factors and do not currently have a specific methodology for the extent to which these factors are considered, however we may take them into account as one of the components considered in investing the assets of the Fund.

## **12.8 Privacy**

The privacy of your personal information is important to us. We collect personal information directly from you through the Application Form and from third parties who assist us with our business. The purpose of collecting your information on the Application Form is to process your application and manage your investment in the Fund. If the personal information you provide to us is incomplete or inaccurate, we may not be able to work with you effectively, or at all, and may be delayed in performing our business functions.

From time to time, we may wish to advise you about other services and products which could suit your needs. By making an application, you agree that we may disclose your personal information to other corporations specifically, but not solely, for marketing purposes. We are not likely to disclose your personal information overseas.

If you invest in the Fund on the recommendation of your financial adviser, details of your investment and information about you will be provided to your financial adviser.

All personal information collected will be collected, used and stored by us in accordance with our privacy policy, a copy of which is available on request.

However, if you do not want this information to be used for marketing purposes or provided to other entities, you must exercise your right to instruct us not to disclose any information concerning your personal information. You may do this by contacting us using the details in the Corporate Directory. However, we may still disclose personal information where required by law.

You are entitled to request reasonable access to, and correction of, your personal information. We reserve the right to charge an administration fee for collating the information requested.

For a copy of our privacy policy and for information about how we deal with personal information, including how you can complain about privacy-related matters and how we respond to complaints, please contact us.

## **12.9 Electronic IM**

This IM is available in electronic form at <https://apply.automic.com.au/CCCF> from the Fund Registry. The Fund Administrator or Manager will send, on request, any person receiving this IM electronically, a paper copy of the IM (and attached Application Form) free of charge during the period of the Offer. Applications must be made by completing the Application Form either online via the Fund Registry or via an application form.

The Trustee will not accept a completed Application Form if it has reason to believe that the applicant has not received a complete paper copy or electronic copy of the IM, or if it has reason to believe that the Application Form or electronic copy of the IM has been altered or tampered with in any way.

While it is extremely unlikely that during the period of the Offer the electronic version of this IM will be tampered with or altered in any way, the Manager and the Trustee cannot give any absolute assurance that this will not occur. If you are in doubt about the validity or integrity of an electronic copy of the IM you should immediately request a copy of the IM directly from the Fund Registry or your adviser.

## 13 Glossary

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In this IM:

<b>AFS Licence</b>	means an Australian financial services licence issued by ASIC.
<b>AML/CTF Act</b>	means <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
<b>Application Form</b>	means the application form attached to this IM.
<b>APRA</b>	means Australian Prudential Regulation Authority.
<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ATO</b>	means Australian Taxation Office.
<b>Business Day</b>	means a day other than a Saturday, Sunday or public holiday in Sydney, New South Wales.
<b>Causeway Financial</b>	means Causeway Financial Pty Limited ACN 131 343 701. Causeway Financial is an authorised representative of Causeway Asset Management Ltd AFSL no.286005.
<b>CIC</b>	means Credit and Investment Committee.
<b>Constitution</b>	means the constitution for the Fund.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Corporate Directory</b>	means the corporate directory attached to this IM.
<b>CRS</b>	means Common Reporting Standards.
<b>Distribution</b>	means the distributable amount that is distributed to investors holding Units during a Distribution Period.
<b>Distribution Period</b>	means the period to which a Distribution relates which is generally quarterly.
<b>FATCA</b>	means <i>Foreign Account Tax Compliance Act</i> (US).
<b>Fund</b>	means Causeway Corporate Credit Fund.
<b>Fund Administrator</b>	means AMAL Trustees Pty Limited ACN 609 737 064
<b>GST</b>	has the meaning given to that term in the GST Act.
<b>GST Act</b>	means <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>IM</b>	means this information memorandum, including the Application Form.
<b>Investment Management Agreement</b>	means the investment management entered into between the Trustee on behalf of the Fund, and the Manager.
<b>Investment Objective</b>	means the investment objective of the Fund described in section 5.1.
<b>Investment Strategy</b>	means the investment strategy of the Fund described in section 5.2.

<b>Issue Price</b>	The Issue Price for initial subscriptions will be AUD\$1.00. The Trustee may update the Issue Price in subsequent months at its discretion.
<b>Loan</b>	means a loan by the Fund to a borrower.
<b>Loan Agreement</b>	means a loan agreement entered into with a borrower in relation to a Loan.
<b>LVR</b>	means loan-to-valuation ratio.
<b>Manager, us, we, or our</b>	means Causeway Asset Management Limited ACN 110962 340, which is the holder of AFS Licence no. 286005.
<b>Master Fund</b>	means the Causeway Wholesale Private Debt Income Master Fund managed by Causeway Asset Management Limited.
<b>Maturity Date</b>	means the day upon which the period of 80 years or any longer period permitted by law, commencing on the date of this document (which is deemed to be the perpetuity period for the purpose of the trusts created by this document), expires or any earlier date the Trustee, on the recommendation of the Manager, determines.
<b>Net Asset Value</b>	means the value of the assets less the liabilities of the Fund, calculated in accordance with the terms of the Constitution.
<b>OECD</b>	means Organisation for Economic Co-operation and Development.
<b>Offer</b>	means the offer of Units under this IM to Wholesale Investors.
<b>Partners Private</b>	means Partners Private Pty Ltd, the exclusive distributor of the Causeway Corporate Credit Fund
<b>Private Debt</b>	means debt that exists in loan or securitised form, including corporate and syndicated lending, mortgages, peer-to-peer platform lending and infrastructure debt markets.
<b>SME</b>	means the small-to-medium enterprise corporate sector.
<b>Subscription Day</b>	has the meaning given to that term in section 9.3(d)
<b>Term</b>	A period of 18 months from date of issue of the first Units to each incoming investor in the Corporate Credit Fund.
<b>TFN</b>	means Tax File Number.
<b>Trustee</b>	means AMAL Trustees Pty Limited ACN 609 737 064 (AFS Licence no. 483459).
<b>Unit</b>	means a unit in the Fund.
<b>US</b>	means United States of America.
<b>Wholesale Investor</b>	means wholesale clients (as defined in section 761G of the Corporations Act) and sophisticated investors under section 761GA of the Corporations Act.

## 14 Corporate Directory

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### **Manager**

Causeway Asset Management Limited ACN 110962340, the holder of AFS Licence no. 286005.

### **Manager's registered office**

Level 2, 357 Military Road, Mosman, New South Wales, 2088

### **Manager's postal address**

Level 5, 107 Pitt Street, Sydney, New South Wales, 2000

### **Manager's contact details**

Phone: +61 2 9998 7525

Email: [Info@causewayam.com.au](mailto:Info@causewayam.com.au)

Website: [www.causewayam.com.au](http://www.causewayam.com.au)

### **Trustee**

AMAL Trustees Pty Limited ACN 609 737 064 (AFS Licence no. 483459)

### **Trustee's registered office**

Level 13, 20 Bond Street  
Sydney NSW 2000

### **Trustee's postal address**

Level 13, 20 Bond Street  
Sydney NSW 2000

### **Trustee's contact details**

Fax: 1300 720 652

Email:

[funds@amaltrustees.com.au](mailto:funds@amaltrustees.com.au)

Website: [www.amal.com.au](http://www.amal.com.au)

### **Distributor**

Partners Private Pty Ltd ACN 134 627 375, an authorised representative of Partners Wealth Group Advice Pty Ltd (AFSL no.483842)

### **Distributor's registered office & postal address**

Level 13, 636 St Kilda Rd

Melbourne VIC 3004

Phone: +61 3 8508 7800

Email: [Info@partnersprivate.com.au](mailto:Info@partnersprivate.com.au)

Website: [www.partnersprivate.com.au](http://www.partnersprivate.com.au)

### **Administrator**

AMAL Trustees Pty Limited ACN 609 737 064

### **Administrator's registered office**

Level 13, 20 Bond Street, Sydney NSW 2000 Australia

### **Administrator's postal address**

Level 13, 20 Bond Street, Sydney NSW 2000 Australia

### **Administrator's contact details**

Ph: +61 2 9230 6700

Att: Akther Hossain

Email: [fundadmin@amaltrustees.com.au](mailto:fundadmin@amaltrustees.com.au)

Web: <https://www.amal.com.au/>

### **Fund Registry** Automic Group

Investor Services: [1300 288 664](tel:1300288664)

General Enquiries: [+61 2 8072 1400](tel:+61280721400)

Web: <https://www.automicgroup.com.au/>

Email: [causeway@automicgroup.com.au](mailto:causeway@automicgroup.com.au)