

AURA PRIVATE CREDIT INCOME FUND

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PREVIOUS RATINGS

Year	Rating
August 2024	Commended
July 2023 (As Aura High Yield SME Fund)	Commended
November 2021 (As Aura High Yield SME Fund)	Commended

RATINGS OVERVIEW

SUMMARY AND CONCLUSION

The Aura Private Credit Income Fund (APCIF) provides wholesale investors with exposure to Australian private credit, with a stated focus on capital preservation and regular income. As at 31 October 2025, the Fund has delivered a total net return of 111.49% since inception in August 2017, equivalent to 9.50% p.a. net of fees, and 8.53% over the previous 12 months (distributions reinvested). Funds Under Management increased from approximately $295m in August 2024 to $508m, while the NAV has remained at $1.00, with 99 consecutive monthly distributions and no capital impairment recognised at the Fund level.

An external risk consultant undertakes monthly credit risk modelling across the portfolio. As at 31 October 2025, 76.4% of exposures (by value) were assessed as investment grade equivalent, and the model mapped the portfolio to an S&P equivalent rating of BBB with a modelled likelihood of a negative monthly return of around 0.2% in any given year (not a guarantee).

The portfolio is diversified and short-dated. APCIF invests via nine non-bank lenders in 13,554 underlying loans, with a weighted average credit duration of around four months and approximately 70% of exposures maturing in less than three months. Facilities are typically senior or mezzanine positions in warehouse and securitisation structures, where originators and junior capital providers take the first loss position, supported by collateral, guarantees and covenants where appropriate.

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HIGHLY COMMENDED



*Refer to the final page for a description of the Ratings scale.

Evergreen's rating is HIGHLY COMMENDED

Evergreen Ratings currently maintains a positive view on APCIF. In Evergreen's assessment, the Fund combines short-dated, diversified exposures, structural protections and an expanding investment team. At the same time, investors need to consider the inherent illiquidity of Australian private credit, the concentration of decision-making authority in key individuals (particularly the Portfolio Manager), and evolving regulatory expectations for private credit managers in Australia. For wholesale investors with a medium to long-term outlook who understand and accept these risks, APCIF may be considered as a potential allocation for diversification and income generation.

KEY STRENGTHS

Scale private credit strategy

- FUM has increased to $508m, with nine lending platforms and 13,554 underlying loans as at 31 October 2025.

Performance record since inception

- 12-month net return to 31 October 2025: 8.53% (distributions reinvested).
- Since inception (August 2017): 9.50% p.a. net, with 111.49% total net return and 99 months of uninterrupted monthly distributions.
- The Fund's NAV has remained at $1.00 at each monthly dealing point. Under the trust deed, the unit price is calculated from the Fund's NAV each month; if capital losses were realised, the price would move below $1.00. To date, no capital losses have been recognised at the Fund level, and returns have been distributed as income.

Short duration, diversified portfolio

- Weighted average credit duration is around four months, with approximately 70% of loans maturing in less than three months and around 2% beyond two years.
- The portfolio is diversified across states (most extensive exposures NSW and VIC at 32% each) and industries, with material allocations to construction (primarily property secured bridging), financial and insurance services, professional services and healthcare.

Credit quality and external validation

- External modelling, run monthly by an independent consultant using an external Credit Portfolio Manager (CPM) framework, classifies 76.4% of the portfolio as investment grade equivalent and maps the Fund's overall loss profile to an S&P equivalent BBB rating. The same models and data are used by three of the four largest Australian banks in their Basel III/APRA (APS 112 and APS 220) regulatory capital calculations for business lending portfolios.
- As at 31 October 2025, average credit enhancement (first loss capital) in APCIF's structures was 12.6%, approximately 4.5 times the modelled severe downturn expected credit loss of 2.8%. Based on the model's assumptions, this corresponds to a low modelled probability of a negative monthly return and an estimated probability of a negative annual return of roughly 2 in 1,000 years. These are model outputs and do not constitute a guarantee of future performance.

Lending focus and security

- Facilities are typically senior or mezzanine positions in warehouse or securitisation structures, where the non-bank originator and/or junior capital providers absorb first losses.
- Collateral is often secured against receivables, business assets or property, supplemented by guarantees and covenants.
- Aura reports no exposure to property development finance; construction exposure largely reflects short-term, property-secured bridging against completed or near-completed assets.

Investment team

- Since the August 2024 report, the investment team has expanded. It now comprises seven key professionals: Brett Craig (Managing Director & Portfolio Manager), Brian Ho (Associate Director), Mina Rafla (Associate Director), Natalie Kolenda (Investment Associate), Jack Remond (Investment Analyst), and Investment Committee members Calvin Ng and Allan Savins.
- The increase in headcount and systems (including new risk modelling and portfolio analytics tools) is intended to align underwriting and monitoring capacity with FUM growth.
- Collectively, the team has 121 years of industry experience, with 45 years at Aura Group.

KEY CONSIDERATIONS/RISKS

Liquidity risk

- Underlying assets are illiquid loans and warehouse positions. Redemptions are offered monthly but remain at the manager's discretion and may be delayed or scaled back to protect remaining investors.
- Although the portfolio is short dated and the Fund maintains a cash buffer (19.4% cash and equivalents as at 31 October 2025), investors should not assume liquidity similar to listed markets.

SME credit risk and economic sensitivity

- The Fund is exposed to the credit performance of Australian SMEs, which can be sensitive to economic conditions, interest rates and sector-specific shocks.
- 30-day+ arrears were 2.59% of the portfolio as at 31 October 2025, compared with about 1.3% in August 2024. The manager characterises this as within its risk tolerance; a key contributor is a property-backed exposure that is being repaid via an asset sale.

Structural and counterparty risk

- Investors are exposed to the performance and operational robustness of the underlying non-bank originators and the warehouse/securitisation structures through which exposure is taken.
- The manager's approach includes upfront and ongoing due diligence, portfolio limits by originator and sector, and a requirement that originators retain meaningful first loss positions.
- APCIF requires detailed loan level and performance reporting from originators (including arrears, recoveries and covenant compliance) and receives regular data feeds from its administrator, with the ability to pause or reduce funding if reporting standards are not met.

Key person and manager execution risk

- Brett Craig remains central to the strategy. While the broader team has been strengthened (including senior hires Brian Ho and Mina Rafla), the strategy continues to depend on the ongoing involvement and performance of key individuals.

Conflicts of interest

- Aura staff and management are permitted to invest in the equity of some loan originators, which may create potential conflicts of interest around risk appetite and platform selection. Equity stakes in originators and performance-linked equity in the management entity may create tensions between growth objectives, risk discipline and management focus.
- The governance framework (Investment Committee, Board, conflicts policy) is designed to mitigate, but not entirely eliminate, these conflicts.

Regulatory and disclosure risk

- ASIC's recent reports on private credit (Reports 814, 820 and 823) highlight sector-wide issues around disclosure, liquidity representations, valuation practices and governance.
- Aura has indicated that it welcomes this scrutiny and states that many of the practices highlighted (independent risk modelling, detailed portfolio reporting, conservative liquidity management) are already in place for APCIF or are being further enhanced.

ABOUT THE PRODUCT

FUND PARTICULARS

KEY ELEMENTS	DESCRIPTION
Fund Name	Aura Private Credit Income Fund (APCIF)
Dominant Strategy	Investing in high-quality debt exposures to Australian businesses by providing finance to non-bank lenders
Fund Structure	Australian wholesale unit trust (open-ended; unregistered scheme)
Trustee/Investment Manager	Aura Funds Management (AFM) Pty Limited is Aura Group's subsidiary. Aura Credit Holdings Pty Ltd is the appointed Manager.
Fund Administrator	One Registry Services
Fund Inception	August 2017
Legal Domicile	Australia
Legal Form	Open-ended unit trust (not registered with ASIC as a managed investment scheme)
Geographic Mandate	Australia
Open	Yes
Investment Timeframe	Medium to longer-term (2–5 years)
Management Fee	1.25% p.a. + GST of GAV
Performance Fee	20% p.a. (exclusive of GST) for performance above the Benchmark
High Water Mark	Yes
Benchmark	RBA Cash Rate + 5% p.a. (net of fees and costs)
Distributions	Monthly
Funds Under Management	$508 million (as of 31 October 2025)
Investment Source	Exclusively wholesale investors – sophisticated, institutional, and high-net-worth investors
Minimum Investment	A$100,000
Minimum Additional Investment	A$1,000
Reinvestments	Yes
Unit Price	Unit Price Calculated monthly
Entry Fee	An Upfront Fee capped at 1% of the Application Monies paid by an investor that acquired Units in the Fund through a distributor. The Manager may use its discretion to waive this fee.
Exit Fee	Nil
Applications	Monthly
Redemptions	Redemptions Monthly, after holding for one month, subject to the fund manager's discretion
Address	Suite 11.01 Level 11, 9 Castlereagh Street, Sydney, NSW 2000, Australia
Website	www.aura.co

HISTORY

The Fund, formerly the Aura High Yield SME Fund, was established in August 2017 as part of Aura Group's strategic initiative to fill a gap in the Australian SME lending market. The Fund was initially created to provide capital to emerging non-bank lenders leveraging technology to disrupt traditional financial models and offer tailored lending solutions to SMEs.

In July 2024, the Fund was renamed the Aura Private Credit Income Fund (APCIF) to better reflect its evolving focus on private credit and its strategic objectives. This renaming is part of a broader restructuring within Aura Group, where the management of the Fund now falls under Aura Credit Holdings Pty Ltd (ACH). ACH is a joint venture between Aura Group and an entity controlled by Brett Craig, the Portfolio Manager. This reorganisation aligns with the Fund's growing emphasis on structured private credit investments and its commitment to delivering strong risk-adjusted returns to investors.

Under a Distribution Partnership Agreement with Montgomery Investment Management Pty Ltd (“MIM”), MIM will receive up to 20% equity in ACH upon meeting certain FUM and revenue hurdles. A 10% Employee Share Option Program is also in place to provide long-term employee incentives and alignment. ACH is appointed as a Corporate Authorised Representative (CAR 1297296) under Aura Capital Pty Ltd’s AFS Licence 366230. Evergreen sees this restructuring positively.

Since its inception, APCIF has consistently performed and navigated various market conditions while maintaining a stable portfolio of SME loans. The Fund's growth has been supported by the strategic expansion of the investment team, the implementation of advanced risk management tools, and the development of new partnerships, such as the one with Montgomery Investment Management, which is set to gain additional equity in ACH upon meeting specific financial milestones.

Over the years, APCIF has evolved from a niche fund focused on high-yield SME loans to a prominent player in the Australian private credit market. The Fund's robust investment process and focus on capital preservation and risk management have allowed it to achieve impressive returns for its investors. As of October 2025, the Fund manages $508 million in assets, reflecting its success and the growing demand for private credit investments.

Aura Group, the parent company, was founded in 2009 and has since grown into a multifaceted wealth and fund management business with operations across Australia and Singapore. The Group's deep connections in the private equity and venture capital sectors, along with its innovative approach to SME lending, have positioned it as a leader in the alternative credit market.

OBJECTIVE

APCIF aims to generate monthly income returns through a diversified portfolio of debt exposures to Australian businesses. The Fund's strategy is to source high-quality, secured and unsecured loans (loans (these are loans that can be secured against directors assets), ensuring a high degree of capital preservation at the fund level, taking into account:

- the Fund’s typical senior/mezzanine position in warehouse structures,
- the originators’ retained first loss capital,
- portfolio diversification, and
- collateral, guarantees and covenants where these are present.

Some underlying business loans are unsecured, but the Fund’s effective risk is to a credit-enhanced pool rather than to each unsecured borrower on a one-for-one basis.

The Fund’s secondary objective is to provide regular income for its investors.

INVESTMENT UNIVERSE

The Fund strategically targets high-quality debt exposures to Australian businesses through a diversified approach involving non-bank lenders. The Fund's investment strategy is centred on providing capital to these borrowers by partnering with specialised loan originators with a strong track record of rigorous credit assessment and scalable business models.

APCIF primarily invests in the following types of debt instruments:

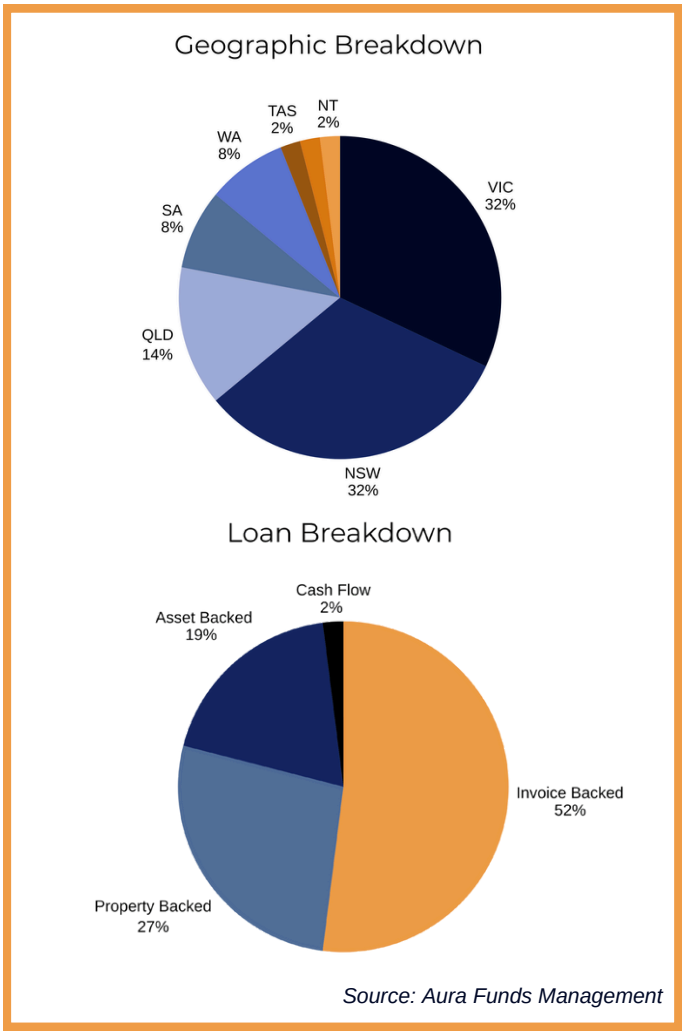
- Senior and Mezzanine Loans: The Fund occupies senior and mezzanine positions in the capital structure of warehouse facilities, ensuring high protection while achieving attractive risk-adjusted returns. These loans are typically secured against assets, with the originating entities bearing the first loss, thereby reducing the risk to the Fund's investors.
- Asset-Backed Loans: The Fund invests in asset-backed loans to businesses, where the debt is secured against specific assets, providing an additional layer of security and stability to the portfolio.
- Short-Duration Loans: APCIF focuses on loans with shorter durations than traditional bank loans. These loans support various needs, including working capital, trade finance, and cash flow management. Their short durations enable quick adaptation to changing market conditions, enhancing the Fund's overall protection and flexibility.
- Special Purpose Vehicles (SPVs): The Fund may also invest in SPVs or units in managed investment schemes that hold the underlying loans originated by non-bank lenders. This structure allows the Fund to diversify its exposure across multiple loan originators and sectors, reducing concentration risk.
- Securitisation Notes and Bonds: APCIF may acquire debt exposure by purchasing notes and bonds from securitisation trusts, adding another layer of diversification and allowing the Fund to tap into broader market opportunities within the SME lending space.

The Fund maintains a diversified portfolio across various sectors and industries. This diversification is achieved by spreading investments across Australia's multiple loan originators, loan types, geographic regions and industry sectors. To ensure the portfolio remains balanced and to manage risk effectively, the Fund adheres to strict limits on exposure to any single loan originator or industry sector.

PORTFOLIO OVERVIEW

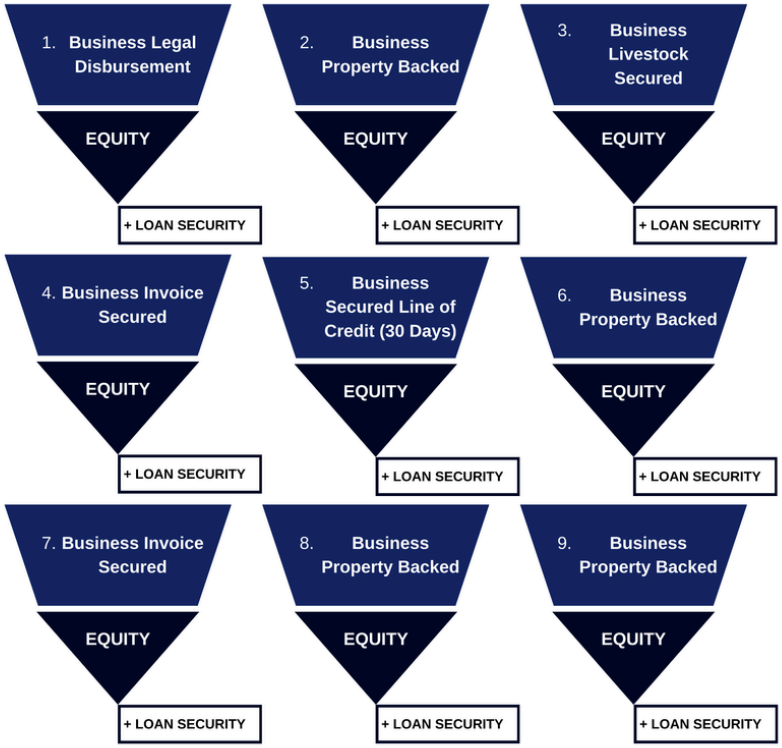
The Manager continuously monitors the market and may adjust the investment strategy as new opportunities and challenges arise. This flexibility allows the Fund to remain responsive to market conditions while continuing to meet its objective of delivering regular, high-yield returns to investors.

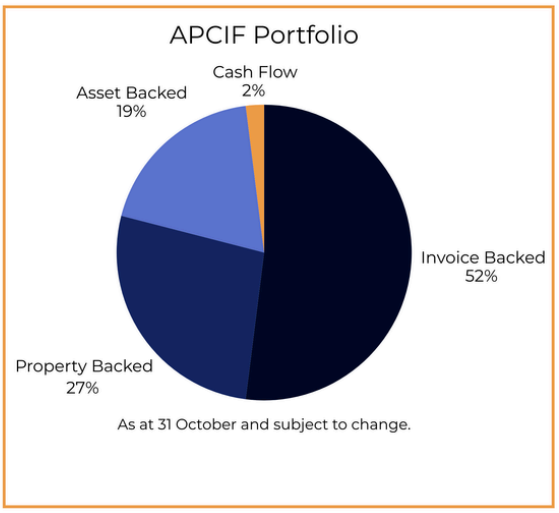
Any surplus cash within the Fund not allocated to loan-based exposures is directed towards term deposits or instant-access cash accounts held by an Australian bank.



Source: Aura Funds Management

SOURCES OF EQUITY & FUND PORTFOLIO BREAKDOWN



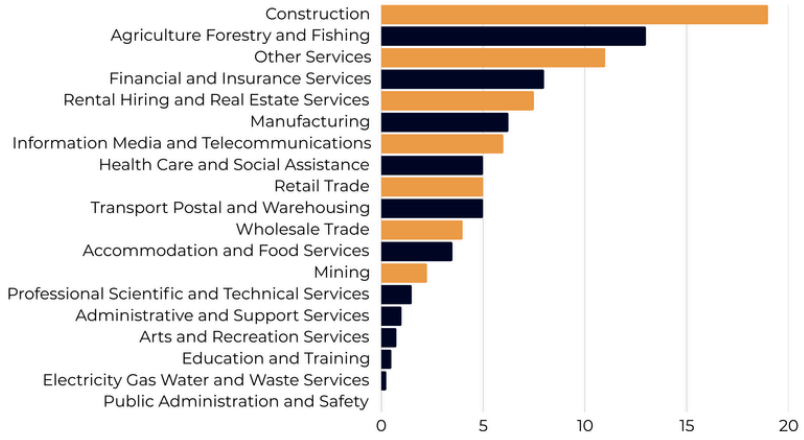


Source: Aura Funds Management

FUND PORTFOLIO SUMMARY

Portfolio Characteristics					
Number of Loans	13,554	Avg. Loan Size	$122,600	< 3 Months	70%
Number of Platforms	9	Max. Loan Size	$14,747,107	3-6 Months	7%
Cash	19.40%	Max. Loan Size %	2.90%	6-12 Months	14%
Loan Assets	80.60%	Min. Loan Size	<$1,000	12-24 Months	7%
Arrears over 30 days (%)	2.59%	Min. Loan Size %	0.00%	24 Months +	2%

Industry & Geographic Split



The exposure to Construction is largely attributable to Property-Secured Bridging Loans; with Working Capital Loans, Asset Financing and Invoice Financing accounting for the balance.

The Fund is not exposed to Property Development construction. Statistics calculated to 31 October 2025 and subject to change.

Source: Aura Funds Management

WAREHOUSE FUNDING FOR NON-BANK LENDERS

OVERVIEW

Warehouse funding is a financial structure that allows non-bank lenders to provide loans to small and medium-sized enterprises (SMEs). The APCIF utilises this structure, incorporating secured loans to enhance the Fund's capital protection. Secured loans involve collateral provided by the SME borrower, which serves as an additional safeguard in case of loan default. In addition, the structure provides for first-loss participation for the loan originator. This adds credit enhancement to the structure and ensures that the loan originator manages the portfolio optimally.

Below is an example of how warehouse funding works within APCIF, emphasising the role of secured loans in providing extra protection.

STEP-BY-STEP EXAMPLE:

1. **Establishing the Warehouse Facility:**

- **Warehouse Facility Setup:** APCIF partners with a non-bank lender (the "Originator") to create a warehouse facility. This facility acts as a pool of funds from which the Originator can draw to issue loans to SMEs.
- **Capital Contribution:** APCIF contributes a significant portion of the capital for the warehouse facility in a senior position, meaning it has priority in receiving payments. The Originator may also contribute capital, typically in a junior position, thereby absorbing the first losses and reducing risk for APCIF investors.
- **Secured Loans Requirement:** To enhance protection, the facility may require that collateral provided by the SME borrowers secure loans funded through it. This collateral could include real estate, equipment, receivables, or other valuable assets, ensuring that the loans are backed by tangible security.

2. **Funding secured SME Loans**

- **Loan Origination:** The Originator uses funds from the warehouse facility to originate secured loans to SMEs. For example, an SME may seek a $500,000 loan to expand its business, offering its commercial property as collateral.
- **Collateralization:** The SME provides collateral for the loan, such as real estate valued at $700,000. This collateral is registered with the appropriate authorities to secure the loan. In the event of a default, this asset can be seized and sold to recover the loan amount, providing an additional layer of security for APCIF and its investors.
- **Loan Terms:** The Originator sets the loan terms, including the interest rate and repayment schedule, with the collateral acting as a guarantee for repayment.

3. **Recycling and Repayment**

- **Loan Repayment:** As the SME repays the loan, including both principal and interest, the payments flow back into the warehouse facility, replenishing it and allowing the Originator to issue new loans to other SMEs.
- **Interest Income:** APCIF, as the senior lender, receives interest income from the loans in the facility. This income is distributed to APCIF investors as part of their returns.

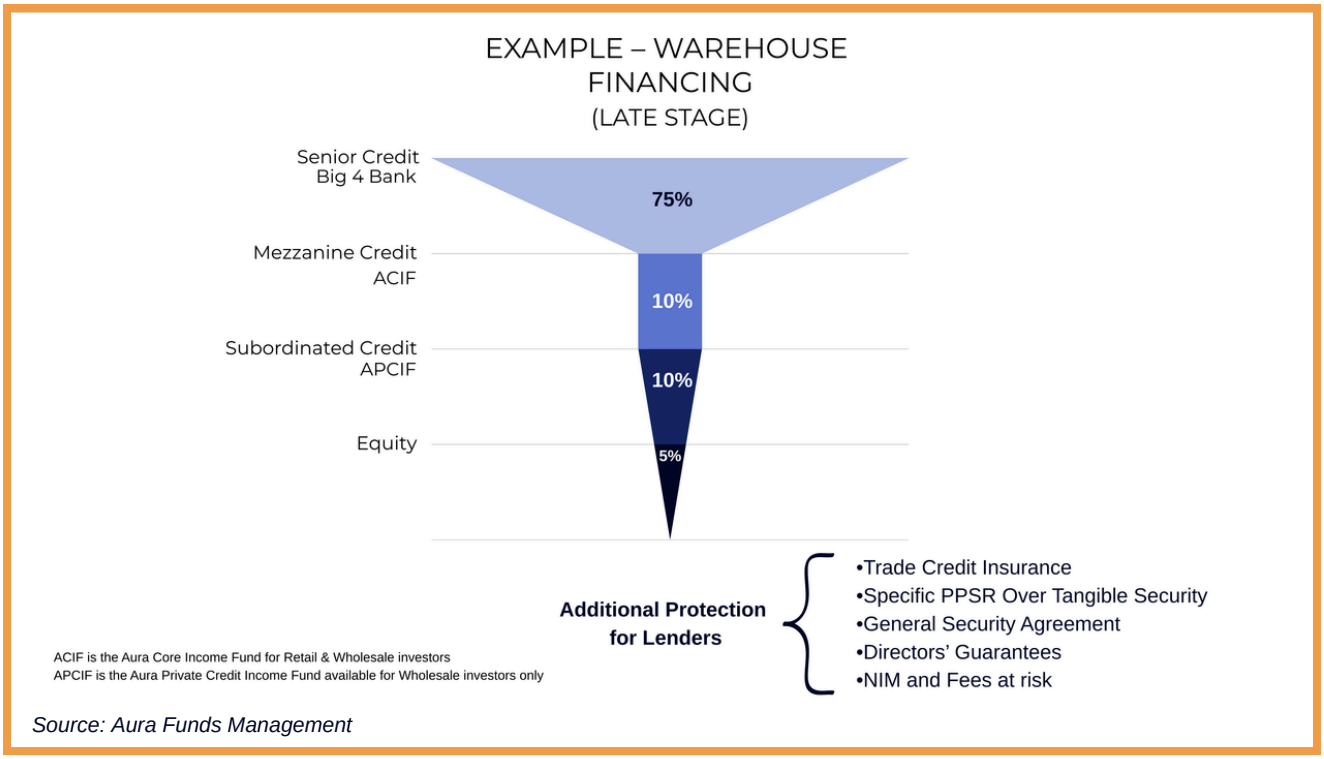
4. **Managing Defaults with Secured Loans**

- **First Loss Position:** If an SME defaults on its loan, the Originator's capital and earned interest absorb the initial losses. However, if the loan is secured, the collateral can be liquidated to recover the outstanding balance.
- **Collateral Liquidation:** In the event of a default, the collateral (e.g., the SME’s commercial property) is sold. If the property is valued at $700,000 and the outstanding loan balance is $500,000, the sale proceeds cover the loan, protecting APCIF's capital. Any remaining amount after the loan is repaid is returned to the borrower, but the primary goal is to ensure the loan is fully repaid.
- **Extra Protection:** This secured loan structure significantly reduces the risk of loss for APCIF, as the collateral value typically exceeds the loan amount. This provides a buffer, ensuring that APCIF's capital is protected even in the event of a default.

5. Exit and Final Payment

- **Final Loan Repayment:** When the SME repays the loan entirely, the collateral is released, and the warehouse facility capital is recycled to fund new loans.
- **Return of Capital:** The capital invested by APCIF in the warehouse facility, along with any accumulated interest, is returned to the Fund's investors.

VISUAL INTERPRETATION OF LATE STAGE WAREHOUSE FINANCING



Source: Aura Funds Management

OVERVIEW OF WAREHOUSE FUNDING

The following is an overview of the warehouse and CLO-style funding structures utilised by the Fund, focusing on the mechanics of the "waterfall" payment priority and risk allocation.

As at 31 October 2025, APCIF's exposures are distributed across nine originators and 13,554 underlying loans. These positions are primarily structured through warehouse facilities and securitisation vehicles like Collateralised Loan Obligations (CLOs). These structures are designed to prioritise payments to senior investors while allocating first-round credit losses to the originator.

Structure and Key Parties

A standard warehouse facility involves three primary components:

- The Loan Originator: A non-bank lender responsible for sourcing, underwriting, and servicing the loans. The originator typically retains a junior or "first loss" position in the structure.
- Special Purpose Vehicle (SPV) or Trust: A bankruptcy remote entity that legally holds the underlying loans. The SPV collects borrower repayments and distributes them according to a specific payment priority (the "waterfall"). It issues different layers of notes (Equity, Mezzanine, Senior).
- Funders (including APCIF): Investors who provide capital to the SPV in exchange for notes. Interest and principal are paid to funders based on their seniority in the capital structure.

The Capital Stack

The capital structure is organised into tranches with varying levels of seniority. Losses are allocated from the bottom up, while payments are distributed from the top down.

1. Senior Notes (Primary APCIF Position)

- Priority: First claim on interest and principal.
- Risk Profile: Lowest risk; capital is only affected after all subordinated tranches (Equity and Mezzanine) are exhausted.
- Return: Typically receives a lower interest margin reflecting the senior priority.

2. Mezzanine Notes (Where applicable)

- Priority: Subordinate to Senior Notes but senior to Equity.
- Risk Profile: Absorbs losses only after the Equity tranche is entirely written down.
- Return: Higher interest rate than Senior Notes to compensate for increased risk.

3. Equity / First-Loss Capital (Originator Retained)

- Priority: Last in line for scheduled interest and principal.
- Risk Profile: Absorbs the initial credit losses of the portfolio.
- Return: Receives residual cash flows ("excess spread") only after all other obligations are met.

The Cash Flow Waterfall

Cash flows generated by the underlying borrowers (interest, fees, and principal) are allocated sequentially according to a pre-agreed waterfall. The typical order is:

1. Trust Expenses: Trustee fees, servicing fees, administration, and hedging costs.
2. Senior Note Payments: Interest and principal due to senior investors.
3. Mezzanine Note Payments: Interest and principal due to mezzanine investors.
4. Equity / Residual: Any remaining funds (excess spread) are paid to the equity holder (the originator).

Loss Allocation and Incentive Structure

This structure utilises structural subordination to provide credit enhancement to senior investors.

First-Loss Mechanism

When a default occurs, and recoveries are insufficient to cover the outstanding amount, the loss is allocated to the Equity tranche. Senior noteholders (such as APCIF) are not affected unless losses exceed the total value of both the Equity and Mezzanine tranches.

The "Earn Back" Mechanism

The Equity tranche serves as a shock absorber but also retains rights to the portfolio's upside. Because the interest charged to borrowers generally exceeds the cost of funding (senior/mezzanine coupons) and expenses, the SPV generates "excess spread."

- If the portfolio performs well, this excess spread flows to the originator.
- If losses occur, they reduce the originator's capital. However, future excess spread can theoretically allow the originator to recover these losses over time, provided the remaining portfolio performs.

Alignment of Interests

Originators retaining the first-loss position create an alignment of interest with senior funders. To preserve their equity and access residual income, originators are economically incentivised to:

- Maintain rigorous underwriting standards.
- Monitor arrears and manage problem loans early.
- Pursue recoveries on defaulted assets actively.
- Minimise strategies that might jeopardise long-term performance.

Illustrative Example

The following simplified scenario demonstrates the distribution of funds in a theoretical warehouse structure.
Assumptions:

- Total Loan Pool: $100 million
- Capital Stack: $80m Senior / $10m Mezzanine / $10m Equity (Originator)
- Gross Income: $12 million (Interest and fees)
- Expenses: $2 million (Trust costs)
- Noteholder Interest: $6 million (Due to Senior and Mezzanine)
- Net Credit Losses: $1 million

Waterfall Execution:

Priority	Item	Amount	Result
1	Total Income	$12.0m	
2	Less: Expenses	($2.0m)	Paid in full.
3	Less: Senior/Mezz Interest	($6.0m)	Paid in full.
4	Subtotal (Pre-Loss)	$4.0m	
5	Less: Credit Loss	($1.0m)	Allocated to Equity Capital
6	Residual to Equity	$3.0m	Paid as excess spread.

Outcome:

The following simplified scenario demonstrates the distribution of funds in a theoretical warehouse structure.

Assumptions:

- Total Loan Pool: $100 million
- Capital Stack: $80m Senior / $10m Mezzanine / $10m Equity (Originator)
- Gross Income: $12 million (Interest and fees)
- Expenses: $2 million (Trust costs)
- Noteholder Interest: $6 million (Due to Senior and Mezzanine)
- Net Credit Losses: $1 million

INVESTMENT PROCESS

The APCIF investment process is designed to identify, assess, and manage high-quality debt investments, with a focus on capital preservation and risk-adjusted returns. This process is characterised by rigorous due diligence, continuous monitoring, and strategic management, ensuring that each investment aligns with the Fund's objectives.

1. **Origination** The investment process begins with sourcing potential loan originators. APCIF leverages its extensive network and industry relationships to identify non-bank lenders. The Fund targets originators with a strong track record, robust credit assessment processes, and scalable business models. This initial step is crucial to ensuring the Fund engages only with originators capable of delivering high-quality loan opportunities.
2. **Preliminary Investment Committee Meeting** Once a potential originator is identified, a preliminary Investment Committee meeting is held to evaluate the opportunity. This initial review considers the originator's overall fit with the Fund's objectives, macroeconomic factors, and potential diversification benefits. If the opportunity meets the basic criteria, it moves to the next stage for more detailed analysis.
3. **In-Depth Analysis and Due Diligence** The investment team conducts a thorough due diligence process on the originator and the specific transaction. This involves assessing the originator's credit assessment procedures, historical performance, management team, and business model scalability. The due diligence may include:

- **Financial Due Diligence:** Evaluating the originator's financial health and creditworthiness and its level of participation as the first loss position in the warehouse structure.
- **Legal and Tax Due Diligence:** Ensuring all legal and tax aspects are in order and compliant with relevant regulations.
- **Commercial and Technical Due Diligence:** Assessing the loan structures' commercial viability and technical aspects.

4. **Final Investment Committee Meeting** After the detailed due diligence, a final Investment Committee meeting is held. During this meeting, the committee reviews the findings and decides whether to proceed with the investment. The decision is based on a majority vote to ensure the investment aligns with the Fund's risk management and return objectives. If approved, the transaction is closed, and the Fund commits capital.

5. **Ongoing Management and Monitoring** Post-investment: the Fund's management team continuously monitors the performance of the loan originators and the underlying loans. This ongoing management includes:

- **Active Monitoring**: Regularly reviews portfolio performance and originator operations to identify and mitigate potential risks early.
- **Support to Originators**: Providing strategic advice and support to originators to improve loan quality and origination volumes.
- **Risk Management**: Utilising the newly implemented portfolio risk management tool to optimise portfolio construction and enhance investor transparency.

6. **Exit Strategy** Throughout the investment's lifecycle, the management team ensures that all potential exit scenarios are considered. This includes planning for loan maturities and managing any prepayments or early exits by originators. The Fund remains flexible in its approach, adapting its strategies to market conditions and the performance of individual investments.

7. **Compliance and Reporting** APCIF follows strict compliance protocols and reporting standards. The Fund ensures that all investments comply with applicable regulations and that investors receive timely, accurate reports on the Fund's performance. This transparency is key to APCIF's commitment to investor confidence and trust.

RESEARCH AND GROWTH

Ongoing research is part of the due diligence and continuous monitoring of loan originators and the Fund's entire loan portfolio. As the Fund has grown, the Manager has expanded the universe of counterparties. As of 31 October 2025, APCIF has approved nine non-bank originators and is invested in 13,554 loans, with an average loan size of approximately $122,600. Across Aura's private-credit strategies, the team has screened more than 200 lending platforms and invested in 10, reflecting a selective, relationship-driven approach to origination.

KEY PEOPLE

A specialist private-credit team within Aura Credit Holdings manages the Aura Private Credit Income Fund (APCIF). The team has expanded further since August 2024 and now comprises five dedicated investment professionals supported by two investment committee (IC) members and distribution and operations staff. Collectively, the seven-person investment and IC group has 121 years of industry experience and 45 years of working within the Aura Group.

Brett Craig – Portfolio Manager & Managing Director
Brett joined Aura Group in 2017 and is the Portfolio Manager for APCIF. He has over 20 years of experience in debt markets, including more than a decade at Macquarie Group, where he focused on structuring and distributing debt products. Brett pioneered one of the first bank warehouse facilities for an Australian alternative finance lender and has deep expertise in SME lending structures.

Brian Ho – Associate Director
Brian joined Aura in 2023 and brings almost two decades of experience across banking and structured finance. He leads day-to-day portfolio management, lender engagement and transaction execution for APCIF and the broader private-credit platform.

Mina Rafla – Associate Director
Mina joined Aura in 2024 and has around 10 years of industry experience. He holds a Bachelor of Commerce (Applied Finance) and a Bachelor of Laws. Mina focuses on credit analysis, structuring and legal risk across new and existing originators, further deepening the bench strength at the senior-associate level.

Natalie Kolenda – Investment Associate
Natalie has been with Aura since 2017 and has a background in agricultural economics. She plays a key role in ongoing credit monitoring, portfolio analytics and ESG integration across the SME loan book.

Jack Remond – Investment Analyst
Jack joined the private-credit team in 2024 with experience in securitisation and trustee services. He is focused on loan-pool analytics, arrears monitoring and supporting the implementation of the external credit-risk modelling framework.

Calvin Ng – Investment Committee Member
Calvin co-founded Aura Group in 2008 and has 18 years of industry experience. He sits on the private-credit investment committee, providing oversight on strategy, risk and portfolio construction.

Allan Savins – Investment Committee Member
Allan has served as an independent IC member since 2017 and has more than 35 years of experience in financial services and credit risk. He contributes independent challenge and additional depth to the Fund's governance frameworks.

The Manager also continues to employ dedicated distribution and support staff, including Nicholas McGuire in a distribution role and Sofia Spice as Executive Assistant, ensuring that investment professionals can focus on portfolio management.
The Aura Group shared services support compliance, operational risk, finance, marketing, distribution, and middle/back office, all of which work to support the strategy.

This also includes Aura Group oversight and governance from the Product & Strategy Committee and Aura Group Audit, Risk and Compliance Committee.

FUNDS UNDER MANAGEMENT

As at 31 October 2025, the Aura Private Credit Income Fund has approximately $508m invested, up from around $295m in August 2024. This growth of roughly 72% over about 14 months reflects strong investor demand for the strategy and the Fund's ability to deploy capital into a larger opportunity set of high-quality loans while maintaining discipline on credit standards and portfolio construction.

APCIF sits alongside the Aura Core Income Fund (ACIF) within Aura's private credit platform. Combined FUM across the two strategies is approximately $567m, with both funds maintaining stable $1.00 unit prices and consistent monthly distributions throughout FY2025.

RISK METRICS AND FUND PERFORMANCE

FUND PERFORMANCE

Since its inception in August 2017, the Aura Private Credit Income Fund has delivered total net returns of 111.49%, representing a compound net return of 9.50% p.a. after fees and expenses. Over the 12 months to 31 October 2025, the Fund returned 8.53% with distributions reinvested. This outcome remains broadly consistent with APCIF's long-term objective of generating 9–12% p.a. net of fees. However, there is some variation from period to period as interest rate settings and credit spreads change.

The Fund has preserved capital at the unit price level throughout its life: the NAV has never deviated from $1.00 at the monthly liquidity point, and there has been no disruption to scheduled distributions.

FY25 simple and compound returns were 8.70% and 9.06% respectively, continuing the pattern of high single-digit to low double-digit annual returns achieved since inception.

PORTFOLIO STRUCTURE, DURATION AND ARREARS

APCIF maintains a short-dated credit profile, with a weighted-average duration of about 4 months and 70% of exposures by value maturing within 3 months. Ninety-three per cent of the portfolio matures within 24 months. This provides the Manager with flexibility to recycle capital, respond swiftly to changing economic conditions, and manage liquidity without relying on structural leverage.

As at 31 October 2025, 30-day-plus arrears were 2.59% of loan assets, or approximately $13.1m, compared with 1.33% at the time of the August 2024 report. While arrears have normalised upwards in a higher-rate environment, they remain within the Manager's risk appetite and are diversified across more than 13,500 loans. The Fund's collateral packages – typically including first-loss positions held by originators, property or asset security, guarantees and, in some cases, trade-credit insurance – have so far allowed APCIF to navigate instances of borrower stress without any impairment to NAV or interruption to distributions.

CREDIT RISK MODELLING

In FY2025, Aura institutionalised an independent, bank-grade portfolio credit risk framework for APCIF by engaging an Australian credit risk consultancy whose models are used by three of the four largest Australian banks to meet their APRA Prudential Standards APS 112 and APS 220 capital adequacy requirements for business lending. The consultancy's Credit Portfolio Manager (CPM) system consumes loan-level data from the APCIF portfolio, links it to more than 50 years of Australian business lending performance history, incorporates current macroeconomic variables, and applies Monte Carlo simulations to estimate the distribution of portfolio losses under a range of scenarios. As of 31 October 2025, CPM assessed 76.4% of the portfolio as investment grade equivalent and indicated an overall BBB equivalent risk profile for the Fund, with a very low modelled probability of a negative monthly return. This analysis provides an external, data-driven cross-check of Aura's internal views. It confirms that the Fund's return profile is generated from a portfolio whose modelled loss characteristics fall within the lower investment-grade range.

RISK MANAGEMENT IN FOCUS

In October 2024, the Aura Private Credit team fully implemented this CPM technology across the APCIF portfolio, formalising what had previously been an internal risk modelling process. The consultancy has developed regulatory credit risk models for several central Australian banks to support their Basel III capital calculations, drawing on over five decades of domestic business lending data. APCIF now benefits from the same data foundations and modelling approach, applied to a granular SME loan book rather than a typical bank balance sheet.

CPM ingests the contractual terms and risk characteristics of each underlying loan funded by APCIF, maps those exposures to comparable loans in the historical database, overlays current macroeconomic conditions (including interest rates, unemployment, inflation, GDP and housing prices) and then runs extensive Monte Carlo simulations. From more than one million simulated outcomes, the system estimates:

- the likelihood of a negative return to investors for each Aura private credit fund; and
- the expected (average) credit loss (ECL) on the underlying portfolios under both base case and stressed economic scenarios.

These outputs play a central role in structuring and ongoing portfolio construction. The modelled probability of loss is mapped to an equivalent S&P credit rating, allowing the Manager and investors to benchmark APCIF's risk profile against rated public fixed income investments. At the same time, the ECL estimate is used to calibrate the level of credit enhancement (CE) – i.e. the first loss capital that originators and junior investors are required to contribute in APCIF's warehouse and securitisation structures.

As at 31 October 2025, APCIF's average CE was 12.6%, approximately 4.5 times the modelled severe downturn ECL of 2.8% for the Fund's credit portfolio, providing a material buffer ahead of APCIF's senior and mezzanine positions.

CPM is also used actively in transaction selection and ongoing monitoring. During due diligence on new originators, proposed lending strategies are run through the model to test the sustainability of underwriting standards, inform pricing and negotiate appropriate levels of CE before any commitment of capital. In the secondary market, the system provides an independent lens on whether the spreads available on a given warehouse or securitisation are commensurate with its modelled risk – for example, in March 2025, Aura declined to refinance one lender's warehouse where competing funding rates, when run through CPM, were not considered adequate for the portfolio's risk profile.

Overall, the CPM framework gives APCIF a disciplined, evidence-based approach to sizing first-loss capital, selecting and re-pricing originators, and stress-testing the portfolio at both the loan and fund levels. Evergreen regards the institutionalisation of this external modelling framework as a key strength of the Fund's risk management architecture, complementing the qualitative credit work undertaken by the investment team.

FUND RESILIENCE

APCIF has continued to demonstrate resilience across a range of economic conditions, including COVID-19, the rapid RBA tightening cycle, and the current "higher for longer" interest-rate environment. The Fund's portfolio now comprises 13,554 loans across nine originators, diversified by sector and geography. While a small number of loans have experienced payment difficulties, the Fund has not recorded any loss of capital at the unit price level and has maintained uninterrupted monthly distributions since inception.

SYSTEMS

Aura outsources its IT Systems. It uses a proprietary built system, established by a third party. The system was built bespoke for the Aura Private Credit business and is used to manage the loan portfolio and generate insights into portfolio companies. The system has been established to provide portoflio analytics and reporting for investors.

TRUST DEED COMPLIANCE

The Fund is a unit trust established under a Trust Deed dated 10 April 2017, as amended from time to time. As the Trust is not a registered managed investment scheme under the Corporations Act 2001, the Trust Deed does not need to comply with the requirements of Chapter 5C.3 of the Corporations Act.

The Trust Deed primarily governs the relationship between the investors and the Trustee. A copy is available upon request from the manager.

All breaches of the Trust Deed regulations are reported to the Aura Group Audit, Risk & Compliance Committee, and Board quarterly.

TRANSPARENCY AND REPORTING

Aura Private Credit Income Fund (APCIF) emphasises transparency and provides comprehensive reporting to ensure investors are fully informed about the Fund's performance, risk exposure, and overall management.

REGULAR REPORTING

APCIF commits to delivering detailed and timely reports to its investors, including:

- Monthly Performance Reports: Investors receive monthly updates that include key performance metrics, portfolio composition, risk exposure, and commentary on market conditions. These reports are designed to keep investors informed about the Fund's current status and any significant developments.
- Annual Audited Financial Statements: The Fund provides audited financial statements annually, ensuring investors can access independently verified financial information. These statements include a comprehensive breakdown of the Fund's financial performance, fees, and expenses.
- Annual Tax Reporting: APCIF provides detailed tax reporting to investors, including distributions and any relevant tax considerations. This reporting is structured to assist investors in their tax filing and planning.

ENHANCED TRANSPARENCY THROUGH TECHNOLOGY

In 2024, APCIF implemented a new portfolio risk management tool that not only optimises portfolio construction but also enhances transparency for investors. This tool provides detailed insights into the portfolio's risk characteristics, leveraging historical data and APRA-approved methodologies. This tool underscores APCIF's commitment to providing investors with clear, quantifiable information on the risks and performance of their investments.

The monthly report includes key Fund performance information, including the fund's performance and the underlying loans.

INVESTOR ACCESS

Investors have direct access to the investment management team through regular investor calls, meetings, and digital platforms. This open communication policy ensures that investors can engage with the Fund's managers, ask questions, and receive personalised updates on their investments.

COMPLIANCE AND REGULATORY REPORTING

APCIF adheres to strict compliance protocols, ensuring all regulatory requirements are met. The Fund's operations are conducted in accordance with relevant Australian financial regulations, and its compliance framework is designed to maintain high standards of integrity and transparency. Any compliance breaches are reported to the Aura Group's Audit, Risk & Compliance Committee and Board every quarter.

THIRD PARTY REVIEWS

Independent third parties, such as KPMG, periodically review the Fund's processes and performance, providing additional oversight. These reviews contribute to the Fund's robust governance framework and reinforce the credibility of its reporting.

COMMITMENT TO ESG REPORTING

Aura Group is a signatory to the Principles for Responsible Investment (PRI), and APCIF integrates Environmental, Social, and Governance (ESG) considerations into its investment process. While the Fund is formalising its ESG reporting, it is committed to providing updates on its progress in integrating ESG principles and practices into its operations. This commitment reflects the Fund's dedication to responsible investing and transparency in all aspects of its management.

ISSUES TO NOTE

While the Aura Private Credit Income Fund (APCIF) offers a compelling investment opportunity, there are several important considerations that potential and current investors should be aware of:

1. **Liquidity Considerations**

APCIF invests primarily in business loans, which are inherently less liquid than publicly traded securities. While the Fund has historically met all redemption requests, investors should know that liquidity is not guaranteed. The Fund manager retains the discretion to delay or limit redemptions if necessary to protect the Fund's interests as a whole. This illiquidity reflects the nature of the underlying assets and should be a key consideration for investors.

2. **Conflict of Interest**

Aura Group allows its staff and managers to invest in the equity of the loan originators within the Fund's portfolio. While this aligns the Fund's management's interests with those of the originators, it also creates a potential conflict of interest. The Manager has a strict conflict-of-interest policy and maintains a register of any conflicts. Still, investors should be aware that such relationships could influence decision-making, particularly in risk management and investment selection.

3. **Credit and Market Risks**

While offering high returns, the Fund's exposure to SME loans entails inherent credit risk. The performance of these loans can be impacted by broader economic conditions, particularly in sectors sensitive to economic downturns. While the Fund has implemented robust risk management strategies, including a new portfolio risk management tool, there remains a risk of loan defaults, especially in challenging economic environments.

4. **Dependence on Key Personnel**

APCIF's success is closely tied to the expertise and experience of its management team, particularly Brett Craig, the Portfolio Manager. While the recent team expansion has reduced key-person risk, the Fund still relies heavily on the knowledge and leadership of its senior team members. Investors should consider the potential impact of any changes in the Fund's leadership or management structure.

5. **Regulatory and Compliance Risks**

The regulatory environment for private credit and SME lending is evolving. In September and November 2025, ASIC released a series of reports on private credit, including Report 814, Private Credit: An Industry Review, and Report 820, Private Credit Surveillance: Retail and Wholesale Funds. These highlighted concerns around disclosure and valuation practices, liquidity representations, fee transparency and conflicts of interest across parts of the industry.

APCIF itself is a wholesale fund, but it benefits from the broader Aura platform's response to these findings, including enhanced portfolio-level transparency, independent credit risk modelling, detailed loan-level reporting, and conservative structuring (no development finance or distressed debt exposures, and no structural leverage at the Fund level). Evergreen views these developments positively but notes that regulatory expectations for private credit managers continue to evolve, and there is ongoing risk that further changes could affect product design, liquidity terms, or reporting requirements over time.

6. **ESG Integration and Reporting**

While Aura Group is a signatory to the Principles for Responsible Investment (PRI) and has committed to integrating ESG considerations into its investment process, formalising ESG reporting is still in progress. Investors interested in ESG-focused investments should be aware that APCIF's ESG integration, while ongoing, may not yet fully align with their expectations for comprehensive ESG reporting.

7. **Growth and Capacity Constraints**

As the Fund grows, there may be challenges related to sourcing sufficient high-quality loan originators to meet investment demand. While the Fund has successfully expanded its portfolio thus far, maintaining the same level of performance and diversification as the Fund grows larger could become more challenging. The Manager is actively developing relationships with new originators to mitigate this risk.

THIRD PARTY ADVISORS & SERVICE PROVIDERS

Management Company Auditor	Ernst & Young
Fund Auditor	Ernst & Young
Fund Administrator/Registry	One Registry Services
Custodian	One Managed Investment Funds Limited
Taxation Advisor	Crowe
Fund Accountant	Unity Fund Services
Risk Insurer	Chubb
Legal Counsel	Ashurst (For legal, due diligence and documentation)

RATINGS SCALE

HIGHLY COMMENDED



We have **high confidence** in this investment product.

This is a Fund or Investment Product that has scored consistently very well across all areas of Evergreen Ratings' research and analysis framework. As a result, we believe the Fund has a very high probability of meeting its objectives.

It is appropriately designed, with appropriate fees and has sufficient, high quality systems and resources, including risk management and corporate governance, to manage an appropriate outcome.

COMMENDED



We have confidence in this fund manager or investment product.

This is a Fund or Investment Product that has scored consistently well across most areas of Evergreen Ratings' research and analysis framework. As a result, we believe the Fund has a high probability of meeting its objectives.

It is reasonably well designed, with fees more or less in line with the nature of the product and its peers. The Manager has sufficient, quality systems and resources, including risk management and corporate governance, to manage an appropriate outcome.

SATISFACTORY



We have some confidence in this investment product.

While this is a Fund or Investment Product that has scored well in some areas of Evergreen Ratings' research and analysis framework, it did not score as well in other areas important to achieving a good investment outcome.

As a result, Evergreen Ratings believes it has a reasonable chance of meeting its investment objectives.

NOT APPROVED



We have little confidence in the investment product

This is a Fund or Investment product that did not score well across most areas of Evergreen Ratings' research and analysis framework. There is a lack of identifiable strengths across some or all of product design, fees, systems and governance, therefore placing doubt on the likelihood of the fund or product achieving its investment objectives.

NOT RATED



This fund manager or investment product has been screened out. Evergreen Ratings has either (i) conducted a preliminary review of the investment product and has identified material or structural flaws or (ii) the Manager has elected to not confirm some elements of the research process requisite in the ratings protocol to release the research report.

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