

Private Credit Fund (ASX: LF1) FAQs

Set out below are some frequently asked questions (FAQ). If your question doesn't appear here, please reach out to us on 13 13 57.

The information set out below is general in nature and does not consider your personal objectives or circumstances. We encourage you to read the Product Disclosure Statement to consider if this product is right for you.

What is the La Trobe Financial Private Credit Fund?

The La Trobe Private Credit Fund (ASX:LF1) is an ASX-Listed Investment Trust (**Fund**). It combines two complementary investments, being the La Trobe Australian Credit Fund's 12 Month Term Account and La Trobe US Private Credit Fund's Class A Units. By combining our Australian real estate private credit and U.S. middle market private credit strategies, we aim to deliver investors low volatility monthly income via a listing on the Australian Securities Exchange (**ASX**).

What are the key features of the Fund?

Key features include low volatility income, diversification across two complementary portfolios, and access to liquidity through daily trading on the ASX[^] brought to market by experienced management teams.

What return will I receive?

The Fund aims to pay monthly distributions, targeting the RBA Official Cash Rate plus 3.25% p.a. (net of fees, costs and taxes incurred by the Fund).*

Will the Fund provide consistent returns?

The fund seeks to deliver its monthly distributions by investing in the 12 Month Term Account of the La Trobe Australian Credit Fund and the Class A Units of the La Trobe US Private Credit Fund. The Fund will target a 50:50 allocation between each, however may make changes across the following allocations:

Allocation profile:

- *12 Month Term Account: 20% - 100%;*
- *Class A Units of the La Trobe US Private Credit Fund: 0% - 80%;*
- *Cash and cash equivalents: No limit*

Will I receive any Franking Credits?

No. The underlying strategies and Fund do not generate franking credits.

Can I reinvest my distribution?

Yes, during the application process you will be able to elect to reinvest distributions via the Distribution Reinvestment Plan (**DRP**).

If participation in the DRP is elected, you will be issued additional units, equal to the distribution value. You can view the DRP by [clicking here](#).

Can I access LF1 via my existing broker account (eg. CommSec)?

Yes, as part of the application process, you will be able to fill in your existing Holder Identification Number (H.I.N.).

Once you have entered your existing H.I.N., you will be able to view your holdings in your existing account.

Note: You must enter your details exactly as they are shown in your existing account.

How do I buy and sell LF1 through the ASX?

To buy or sell units in LF1 through the ASX you will require a broker account. This could be through our existing JLM partners (CommSec, Taylor Collison, Shaw & Partners, Ord Minnett or Morgan Stanley) or another broker.

You buy and sell units in LF1 the same way as you would trade other shares (for example: Commonwealth Bank (CBA) or Telstra (TLS)) by using the ticker code **LF1**.

Why are these called “units” not “shares”?

LF1 is a listed investment trust and issues units.

What is the difference between a trust and a company?

A trust should not pay tax and earnings should be passed onto investors on a pre-tax basis (less any withholding taxes).

La Trobe Private Credit Fund (ASX:LF1) is a trust, just as the La Trobe Australian Credit Fund and La Trobe US Private Credit Fund are trusts.

Companies are taxable entities, and so must pay tax on their earnings before passing on returns to investors.

What is NAV?

NAV refers to the ‘Net Asset Value’ and defined under and calculated in accordance with the ASX Listing Rules in relation to a Unit, is the value of the Funds total assets reduced by the intangible assets and the Fund’s liabilities, divided by the number of Units.

It is used to calculate the total value of units in the Fund. It is also used to determine the value of each individual unit.

$$\text{NAV} = \text{Trust Assets} \quad \text{MINUS} \quad \text{Trust Liabilities}$$

NAV per unit = (Trust Assets - Trust Liabilities)/total units on issue in the Fund.

The Fund’s market price per unit (i.e. the price for which the units are trading on the ASX at any given point in time) should be close to the NAV (i.e. the value of the units ‘on paper’) – however, this may not always be the case. This may be due to many factors including fluctuations in supply and demand, market sentiment, or trading volumes.

Where the market price is different to the NAV, this is referred to as trading at a ‘Premium’ or ‘Discount’ to NAV.

Premium = When the Fund is priced higher than the NAV.

This means if an investor sells their units, they are getting more than the value of the underlying investment.

At this moment, it is likely that more people are trying to buy units in the Fund, compared to the number of people selling their units. This increases the unit price.

Discount = When the Fund is priced lower than the NAV.

This means if an investor buys units in the Fund, they are buying those units for less than the NAV

At this moment, it is likely that more people are trying to sell their units in the Fund, compared to the number of people buying units. This decreases the unit price.

Capital Management Initiatives

The Fund includes capital management initiatives designed to reduce the likelihood that the market price of units will deviate materially from the NAV per unit.

The Fund is matching its potential liquidity requirements, that is to fund the on-market and off-market buy-backs, with the liquidity and redemption windows of the underlying strategies. Please review the PDS or contact the La Trobe Financial Asset Management team to learn more.

What happens if exchange rates change?

The La Trobe US Private Credit Fund is currently utilising derivatives to mitigate risks associated with the La Trobe US Private Credit Fund's exposure to foreign currencies with respect to the capital invested.

What are the advantages of investing in LF1, instead of directly into the underlying strategies?

1. LF1 receives a 0.50% p.a. rebate (paid monthly) on its investments into the 12 Month Term Account.
2. LF1 is investing into the Class A, wholesale units of the La Trobe US Private Credit Fund, which currently targets a distribution yield 0.50% above that of the Class B retail units.
3. Access to additional liquidity[^], as your investment is traded through the ASX.

There are also potential offsets and negatives, including:

1. LF1 will have its own costs which will partly offset the return benefits discussed above
2. There may be brokerage costs payable to trade your units through the ASX (these are variable based your agreement with your broker)
3. The price you receive through trading on the ASX may be different to the underlying value of your units (see 'What is NAV?' above).

What types of assets does the Fund invest in?

The Fund will invest into the **12 Month Term Account** of the La Trobe Australian Credit Fund and Class A units of the **La Trobe US Private Credit Fund**. With our commitment to transparency, investors can access up-to-date portfolio details of each of the underlying strategies. You will see that each of the underlying strategies comprise diversified portfolios, of quality assets, with a margin for safety, and designed to offer pure-play investment into their respective markets while generating low volatility income.

How does the Fund manage risk?

The Fund operates under a comprehensive risk management framework. At a product level, the Fund adopts a defensive investment strategy, focusing on diversification across portfolios of high-quality assets designed to perform at all points along the economic cycle. We encourage you to read section 8 of the PDS which provides further details.

^Units can be bought and sold on the ASX during trading hours, subject to there being sufficient supply and demand and the units not being suspended from trading.

* The target cash distribution yield is calculated based on the RBA Official Cash Rate as at the last Business Day of each month. The target cash distribution yield is an objective target only and may not be achieved. Any shortfall in net income generated may result in a distribution payment made out of capital invested. Future returns are not guaranteed, and a loss of principal may occur. Investors should review the Risks summary set out in Section 8 of this PDS. The first distribution is expected to be paid with reference to the period ending on 31 July 2025, with July 2025 being the first full month following the Settlement Date.