La Trobe Australian Credit Fund 12 Month Investment Account

LTC0002AU **Author:** Conor Galvin **Published:** 19 Oct 2026

Data is provided by the manager at 31 Dec 2025, and currency in AUD, unless otherwise stated

Recommended

Refer to glossary for definition of the rating

Product Review

About this Product

Investment manager	La Trobe Financial Services Pty Limited
Benchmark	Bloomberg AusBond Bank Bill Index AUD + 1.50%
Product structure	Managed Fund
Leverage	Not permitted
Redemption terms	Direct: Regular Access Cycles post 12 months; Platform: 2% monthly access, with Manager discretion to process higher amounts
Product Size	$11.05b
Inception date	Oct 2002
Asset class	Alternatives
Sector	Growth Alternatives (Moderate)
Peer group	Alternatives - Growth Alternatives (Moderate) - Australian Private Debt - Real Estate
Rated peers	10
Annual fees and costs	1.83
Source: FE fundinfo	* Refer to Fees section

What is the Product?

The La Trobe Australian Credit Fund 12 Month Investment Account ('the Fund') is a pooled mortgage fund. It aims to provide predictable income based on a variable rate of return by investing in a wide range of mortgages across Australia. Withdrawals from the Fund cannot be made during the initial 12-month investment term. Capital may only be withdrawn under the Annual or Regular Access Cycle by submitting a withdrawal request 30 days prior to the investment maturing. The Fund's investment objective is to outperform the Bloomberg AusBond Bank Bill Index by 1.5% p.a. after fees over all time periods.

Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Low
Key Person Risk	Low
Tenure of Decision Makers	Medium
Complex (RG240)	No
Transparency	High
ESG Approach	Filters or Screens
Peer Relative Fees and Costs	Above median

Product Opinion

The Fund has been assigned a **'Recommended'** rating. This rating is supported by high conviction in the Manager's credit approval process and a 12-month term structure that helps mitigate the risk of asset-liability mismatch. The Manager has a strong proactive arrears management process, and the Fund has consistently met its objectives and delivered strong risk-adjusted returns. The Fund's fee, before any rebate, is high relative to the peer group and, further, the Fund has a concentrated exposure to the Australian housing market.

Lonsec Rating Model

Rating key: ●●● Above ●●○ In-line ●○○ Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●○○	—
Product	●●●	—
Fees	●○○	—
Performance	●●●	—

Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

Private Market Profile

High Valuation Risk		
Low Valuation Risk		
	Liquid	Illiquid

Strengths

- The Manager is well-resourced and has strong proactive arrears management procedures.
- Structured and robust credit approval process executed by a well-regarded team.
- Consistent delivery of investment objectives.

Weaknesses

- The Fund has a high management cost compared to peers.
- The Manager has received two ASIC statements in the past five years - one on marketing, and more recently on Design and Distribution Obligations ('DDO').

Key Facts

Changes Since Last Review

- In March 2026, the Fund name changed from "La Trobe Australian Credit Fund 12 Month Term Account" to "La Trobe Australian Credit Fund 12 Month Investment Account". There were no changes to the team, process or investment philosophy as a result of the name change.
- In April 2026, Axight acquired a minority interest in La Trobe Financial.

Key Objectives

Investment objective	The Fund aims to provide investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in a wide range of loans secured by first mortgages in a range of industry sectors.
Non-financial objective	None

Product Distribution Profile

Frequency	Monthly
Last Missed Distribution	None over the last five years
Number of Missed Distributions in the last 5 years	0
AMIT Election	No
TOFA Election	No

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Portfolio Strategy

	Last Review %	This Review %
Senior Real Estate Debt	100.00	100.00

Rating History

03-Oct-2025	Recommended
18-Sep-2025	Fund Watch
01-Nov-2024	Recommended

Return Profile

Income		
Capital		
	Defensive	Growth

Performance Analysis - annualised after fees at 30/06/2026

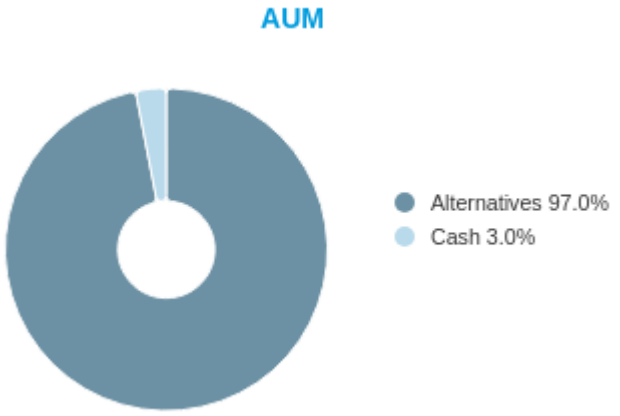
	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	6.39	8.25	6.62	8.16	6.65	9.44	5.91	7.32
Standard deviation	0.74	0.62	0.52	0.50	0.63	0.97	0.56	1.17
Excess return (% p.a)	1.03	4.25	1.00	3.85	0.95	4.79	1.31	4.25
Outperformance ratio (% p.a)	91.67	91.67	95.83	95.83	94.44	94.44	96.67	93.33
Worst drawdown (%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Time to recovery (mths)	-	-	-	-	-	-	-	-
Sharpe ratio	3.40	7.08	4.80	6.23	3.90	5.29	4.98	4.69
Information ratio	1.39	6.67	1.95	5.29	1.52	3.21	2.54	3.61
Tracking error (% p.a)	0.74	0.66	0.51	0.50	0.62	0.97	0.51	1.16

Lonsec Peer Group: Alternatives - Growth Alternatives (Moderate) - Australian Private Debt - Real Estate
Product Benchmark: Bloomberg AusBond Bank Bill Index AUD + 1.50%
Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD
Time to recovery: NR - Not recovered, dash - No drawdown during period

Business

Facts

Investment Manager	La Trobe Financial Services Pty Limited
Ultimate Parent Company	Entities associated with Brookfield Asset Management
Headquarters	Melbourne
Inception Date	Aug 1952
% Staff Ownership	0-10%



Governance

% Independent board members	67
% Female board members	17
Independent chair	No
CEO as Chair	No
Separate Audit Committee	Yes

Metrics

Total AUM	$24.9b (June 2026)
Investment Management Headcount	339
Investment Professionals	15
Sales & Service	84
Distributor	Internal

Who is the Manager?

La Trobe Financial Pty Ltd ('the Manager') is one of Australia's leading non-bank asset managers and private credit specialists with a track record over 74 years. As of 30 June 2026, it had over $24b of assets under management ('AUM'), which includes over $14b in the La Trobe Australian Credit Fund across the various Accounts. Brookfield Asset Management ('Brookfield') is a majority holder in La Trobe Financial Group ('La Trobe Financial') since 2022. Brookfield is a global asset manager and one of the largest alternative asset managers worldwide. In April 2026, Axight acquired a minority interest in La Trobe Financial from Brookfield. Axight is an Abu Dhabi-based private equity manager.

Lonsec Opinion

Profitability

With AUM over $24b as of June 2026, La Trobe's investment management business is both profitable and sustainable as a leading credit specialist in the Australian market.

Business Track record

Founded in 1952, La Trobe has a significant track record. The Manager has benefited from the major banks 'pulling back' their lending due to more stringent regulations, ensuring a healthy pipeline of quality loan assets is available for selection by Fund portfolio managers. La Trobe has expanded it's product offering with a US private credit offering in 2024 and a listed private credit offering in 2025. The diversification of asset base is view positively.

Business Ownership

Brookfield is the majority owner of La Trobe Financial since 2022. Brookfield is a publicly listed company (NYSE:BAM). As a listed entity, equity within the Manager is available to a wide investor base, although Brookfield Corporation's controlling ownership position limits external influence and promotes alignment across the Brookfield group. In April 2026, Axight acquired a minority interest in La Trobe Financial from Brookfield. Axight is an Abu Dhabi-based private equity manager, who is a subsidiary of alternative investment manager, Lunate. La Trobe Financial maintains operational autonomy.

Business Governance

The governance framework is assessed as in line with that of peers in the Alternatives asset class. On 18 September 2025, ASIC issued Design & Distribution Obligations ('DDO') stop orders against the Fund due to shortfalls in its Target Market Determination ('TMD') as a result of the increased regulatory scrutiny over the private credit industry. ASIC has since lifted the orders on new investments after the Manager adjusted its documents to address the regulator's concerns.

Relative to peers, representation on the top governing body ('Board of Directors') is viewed as more robust, supported by its non-executive composition.

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Team

Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Chris Andrews	CEO	No	2006	29/20	15
Chris Paton	CIO	No	2022	19/9	5
Martin Barry	CFO	No	2014	27/12	N/A
David Tagg	Portfolio Management	No	2024	32/2	16
David Smith	Portfolio Management	No	2022	9/4	1
Daniel Baker	Portfolio Management	No	2025	21/1	10

KDM Change*

	Function	Change	Type	Tenure (yrs)	Date of change
Sandy Singh	Portfolio Management	Departed	Exit	14	Jul 2024
David Tagg	Portfolio Management	Joined	New	2	Jul 2024
Gary Bell	Chief Liquidity Officer	Departed	Exit	6	May 2025
David Smith	Portfolio Management	Joined	Internal	4	Jul 2025
Daniel Baker	Chief Liquidity Officer	Joined	New	1	Sept 2025

* Last 3 years

Profile

Size	106
Structure	Centralised
Turnover	Medium

Alignment

KDM equity held in manager	Yes
KDM co-investment in strategy	No
Performance-Based bonus	No
Long term incentive plan	Yes

Resources

	Number	Average Years Experience
Key decision makers	6	20
Portfolio Managers		
Hybrid portfolio manager/ analysts	17	10
Dedicated analysts	106	
Dedicated dealers		
Quantitative		
ESG/Sustainability	1	4
Macro		
Investment Specialists		

Who is the Team?

Chris Andrews (CEO) leads the firm, alongside Chris Paton (CIO) and Martin Barry (CFO). Former Chief Liquidity Officer, Gary Bell, retired in May 2025 and has since been replaced by Daniel Baker in September 2025.

Key decisions for the Fund are handled by the Asset and Liability Committee ('ALCO'), which oversees funding, liquidity and interest rates. This committee is chaired by Barry, and has ten other members, including Andrews, Paton, along with David Tagg (Head of Investments), Rowan Donohoue (Chief Operating & Risk Officer), Cory Bannister (Chief Lending Officer), Travis Goudie (Deputy CFO), Paul Brown (Treasurer), Jacki Jennings (Chief Customer Officer), Daniel Baker (Chief Liquidity Officer), and Daniel Sharrock (Secretary).

The Real Estate Credit team is led by Bannister. He heads a large lending team that includes credit analysts, credit operations and lending business development managers tasked with originating loans.

In addition to the functional teams and the ALCO, several committees and sub-committees maintain authority within the investment process. This includes the Origination & Credit Committee ('OCC'), which oversees asset selection guidelines.

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Team *(continued)*

Lonsec Opinion

Skill

The team is capable, with an appropriate blend of experience and skills. Andrews joined La Trobe Financial in 2006 and oversaw the Fund from 2009 until he was appointed CEO in 2022. Paton succeeded Andrews as CIO, bringing experience from his prior roles as Chief Wealth Management Officer and Group General Counsel. Paton's background as a solicitor is viewed as beneficial in managing the Fund. Barry has over 20 years' experience in banking, asset management and financial services and has held a number of senior roles since joining the business in 2014.

Tagg, in his role as Head of Investments, oversees the Fund's portfolio team. Tagg joined the business in 2024 and has over 30 years of experience in funds management, wealth management and investment banking. Prior to joining La Trobe Financial, Tagg spent 13 years at Commonwealth Bank within various roles including Head of Wholesale Investments and Commonwealth Private Bank Chief Investment Officer. David Smith joined the team in 2022 as a Senior Portfolio Analyst and was recently promoted to Portfolio Manager. He brings nine years of industry experience, the majority of which has been in financial accounting roles.

Team Size

The Manager operates a highly segregated organisational structure under experienced leadership, with the Asset and Portfolio Management team well-resourced. In recent years, there have been meaningful headcount increases across the business, including a significant uplift in residential credit analysts and the recruitment of additional collections staff. The Manager's commitment to scaling the credit team alongside lending growth, while preserving credit discipline, is regarded positively given the labour-intensive demands of loan origination.

Track Record/Co-Tenure

The co-tenure of the key decision makers Andrews, Paton, Bell, Barry, Tagg and Smith, is considered moderate, with a demonstrable track record. The departure of Bell naturally reduces co-tenure.

Alignment

The Manager's alignment with investors is marginally below that of the peer group. La Trobe Financial is majority owned by Brookfield. The Manager aims to pay market-based compensation. The executive team and Business Development teams are eligible for bonus payments, measured by performance against key performance indicators set at an individual level.

Key Person Risk

Key person risk is generally low. Many critical functions, such as credit analysis and interest rate setting, are committee-based. The structure has six committees plus three sub-committees, with an embedded succession plan for each business unit. Given the size of the Real Estate Credit team, the Manager is not dependent on a limited group of individuals or their networks to originate loans.

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Process

What is the Investment Process?

The Fund offers investors the opportunity to invest in loans secured by mortgages over real property located across Australia. The loan approval process adheres to the National Consumer Credit Protection Act ('NCCP') requirements for verifying borrower information. The Manager evaluates borrowers using the five Cs of lending: capacity, capital, collateral, conditions, and character. All loans are manually underwritten and issued only on a first-registered mortgage basis under NCCP legislation.

Private loan applications are processed by credit analysts in the Asset Origination Team, regardless of their origin. Each application is manually assigned for initial approval, followed by a full assessment. Larger loans may involve review by up to three analysts, with those exceeding $7.5 million escalated to the Large Loan Sub-Committee for formal approval. If approved, recommendations are made by a credit analyst, manager, or executive with the appropriate Delegated Lending Authority ('DLA'). For any cumulative exposures to a borrower of $25m or more, the Group's Investment Committee will also review and approve the loan application.

For full-doc loans, two years of financials are required, while alt-doc loans use alternative verification methods such as accountant letters or rental statements. Credit checks are completed for all parties, and loans are advanced only when the security property is valued by licensed panel valuers. Residential valuation orders are generally outsourced via Valex, with commercial valuations managed via Valocity or managed by the Commercial Operations team.

Loans are approved based on DLA levels, with higher levels required for riskier loans. Loans outside standard policy are approved by a senior DLA officer with a mandate limit of 10%, although credit policy exceptions are normally managed within a range of 3-5%.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Sector	Private Debt
Investment Strategy	Senior Real Estate Debt
Investment Type	First Mortgages only
Primary geographical focus	Australia
Target Market	Average loan size: $800k - $900k
Lending Profile	Control lending

The Manager's investment philosophy and approach is clear and linked to the investment objectives of the Fund. La Trobe Financial's broad investment philosophy is predicated on maximising returns to investors consistent with the level of capital preservation, investment term, income profile, liquidity requirements and risks associated with those returns. The Fund invests entirely in loans secured by first mortgages, with the exception of small cash and term deposit holdings to meet cash requirements. Fund loans are to individuals and corporates for property in all major industry sectors, with geographic diversification across Australia.

Most loans settled by the Fund are typically negotiated on variable rate terms, with some assets held in fixed rate mortgages and cash. The Fund is comprised mostly of higher-yielding and more credit-intensive niche 'alt doc' loans. These loans are designed for self-employed borrowers where alternative forms of income verification, other than payslips or financials, are used. The Fund is diversified across a range of sectors, including residential, commercial, vacant land, industrial, development finance and rural property.

Research Process

Key screens	Credit quality, Maturity, Sector, Country/Region, Liquidity
Idea generation	95%+ Brokers
Deals assessed p.a.	>15,000
Key research inputs	Rating agencies, Company financial statements, Internal economic forecasts

The Manager has strong underwriting standards, reflected in its low arrears and loss history. The high standard has been supported by growing personnel, while the Fund has experienced steady year on year growth. The Manager has a 15% maximum allocation to construction loans and generally stays below the Fund's maximum LVR. The Manager remains committed to mortgage origination, expanding its lending team and building relationships with over 5,000 active brokerages across Australia. Over 95% of loans are broker-originated, and the larger trailing commission structure incentivises brokers to submit higher-quality loans, as commissions cease if a loan is in arrears.

Mortgages are originated by the Real Estate Credit Division and loans from the Fund are underwritten and approved inhouse by the underwriting team on a minimum 'dual sign-off' basis. The loan approval process is structured and rigorous. Loans are recommended and approved by staff qualified under a tiered authority system based on experience, service length, performance, and internal training. This approach is considered sensible, ensuring that the most experienced staff handle riskier loans.

The research process is well-developed with a sufficient blend of proprietary and off-the-shelf tools, including the Manager's Loan Origination Information System ('LOIS') and Anaplan, ensuring strong data analytics systems are in place. A feature of La Trobe Financial's process is the integration of origination, due diligence and hardship management functions, allowing end-to-end deal ownership.

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Process *(continued)*

Portfolio Construction

Portfolio management structure	Investment Committee
Approach to benchmark	Benchmark Aware
Typical number of loans	9,000 - 12,000
Vintage diversification	High
Portfolio maturity	High

Investment loans, which are entirely originated and underwritten by the Manager, are allocated via the Anaplan modelling solution where portfolios are optimised in accordance with the risk appetite framework and investment guidelines. Approved loans can be placed in various investment vehicles based on risk-return profiles. The Fund's 12-month fixed-term structure helps manage liquidity and avoids issues faced by daily liquid structures during liquidity stress events. Comfort is taken in the Manager's liquidity management strategies, such as transferring loans to other accounts or warehouses, to maintain stability.

All deals are originated separately from portfolio managers, with consistent credit standards applied across mortgage assets. Assets are allocated to funding sources within permitted parameters, i.e. individual loan LVRs must be below 80% for a residential mortgage and must align with portfolio guidelines such as geography and warehouse limits. Allocation also considers expected returns relative to fund objectives, with portfolio optimisation and risk management overlays applied to maintain adequate diversification.

The Fund can hold long-dated loans which are commonly for 30 years, but can extend to up to 40 years, generally secured by residential properties on an amortising loan basis. The Manager's experience with these longer-dated loans is that they are typically repaid or refinanced in under three years. The ability of a borrower to refinance with other lenders and repay the Fund cannot always be relied upon, particularly in the case of large or 'niche' loans.

Capacity Management

Capacity guidance	Not provided
Strategy AUM	$11.5bn (June 2026)
Portfolio liquidity (1 week)	4.44%

Capacity is not considered a major limitation for the Fund given the nature of its mandate and the size of the market.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Quarterly
Primary risk management system	Proprietary
Single position limits (Min/Max)	2.5%
Country Limits (Min./Max.)	Australia (100%)
Min Credit Rating (At Purchase)	La Trobe Financial Borrower Credit Grade minimum is 'C3'
Cash Allocation (Typical, Max.)	Generally 30-60bps of portfolio
Public Market Allocation	None
Credit Line Facility	No
Portfolio Level LVR	Average ~65%

Investors benefit from an investor reserve, which helps smooth distributions and may provide some buffer against capital losses. This reserve is maintained through periodic contributions from portfolio income after management fees and investor distributions are paid. The reserve is expected to remain between 0.30% to 0.60% of the portfolio in the foreseeable future.

The Fund's conservative LTV limit of 80% max, with a Fund average of approximately 65%, provides a strong margin for safety. The portfolio benefits from individual borrower and loan diversification, holding north of 9,000 individual loans. The Fund has demonstrated resilience through two significant periods of market stress: the 2020 pandemic and the inflation-driven volatility of 2022–2023, characterised by rising interest rates and declining property values. The portfolio may be exposed to potential systemic issues in the Australian property industry.

Mortgages are administered internally using LOIS and Anaplan, allowing the Manager to efficiently respond to late payments and proactively manage potential loans in arrears. The Manager is well-equipped and experienced to handle mortgage administration internally, viewing this as a sound risk management strategy and a key strength of the Fund.

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ESG

Manager Positioning - Product

Responsible investment style	Nil
ESG approach	Filters or Screens
Sustainability thematic	Social
Non-financial objective	None

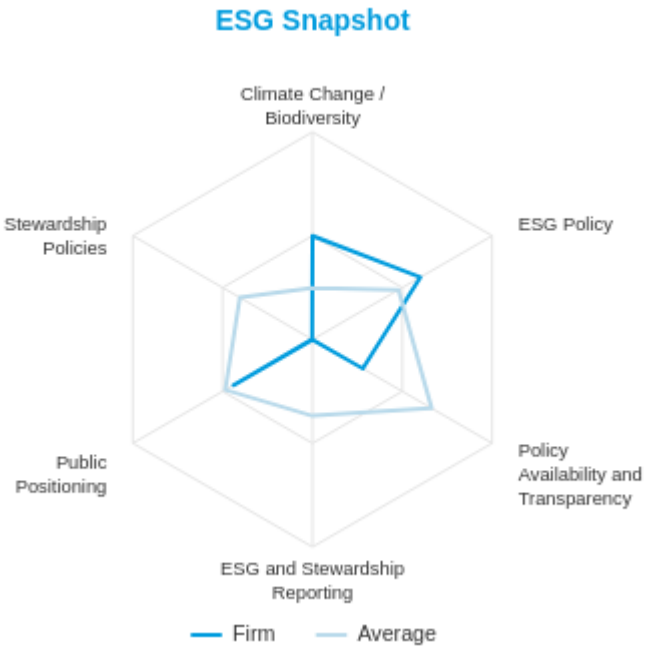
What is the Manager's ESG approach for this product?

The Manager has indicated that their Responsible Investment style is 'ESG Integration' and as such they take Environmental, Social and Governance factors into consideration when assessing investment opportunities. With a primary ESG style of 'Filters or Screens' the Manager is likely using predetermined rules (usually based on the industry a firm operates in) to either include or exclude companies from their investable universe. They may undertake further ESG analysis or use these screens as the sole ESG measure.

Lonsec Opinion & Supporting Facts

Overview

ESG Process Score	ModLow
Responsible Investment strategy risk: Clarity, measurability & reporting	Not applicable



Manager Level Approach

The Manager has articulated a commitment to ESG integration, though its ESG approach is primarily focused on operational practices rather than investment activities. Proxy voting and engagement are not considered relevant given the nature of the assets managed. The Manager has developed green lending initiatives, including green loans and a pathway toward green RMBS products. While there is no standalone climate policy, the Manager has committed to achieving net zero by 2030 for its operations.

Product Level Approach

The Manager does not source general external ESG data instead relying on collecting its own ESG data from borrowers at the point of origination. This is largely for the purpose of ensuring exclusion screens are satisfied. The Manager performs very little internal ESG research for this Fund, beyond initial screening. Any loans that pass the initial origination screen are eligible for inclusion in the portfolio. There are no further ESG factors considered. Monitoring of some ESG characteristics of the portfolio is carried out, however, there is no limit framework. There are no signs that company engagement on ESG issues is a component of the Manager's current investment approach for this Fund.

Strategy: Clarity, Measurability & Reporting

This Fund does not make any specific claim to being a sustainable, ethical or impact offering. As such, an alignment review for the Fund is not required thus the Fund's risk of misalignment has been assessed as not applicable.

Product

Service Providers

Responsible entity	La Trobe Financial Asset Management Limited
Investment manager	La Trobe Financial Services Pty Limited
Custodian	Perpetual Corporate Trust Limited
Administrator	La Trobe Financial Services Pty Limited
Fund Auditor	Ernst & Young
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	$11.05b
Fund 12-month net flows	Positive
Distribution model	Internal
Buy/sell spreads	0.00%/0.00%
Investment structure	Direct
Product type	Registered Managed Investment Scheme (Non-Unitised)
Currency hedged	No
Use of derivatives	No

What is the Product Structure?

The Fund is an Australian-registered Managed Investment Scheme ('MIS'). The Fund offers investments in seven Investment Accounts, with different investment terms, yields and characteristics. These Accounts are a segregated pool of assets. This report is on the 12-month term account which allows withdrawals after 12 months for direct investors. For platform investors, each platform is treated as a single investor for liquidity purposes and is subject to different liquidity terms than direct retail investors, with monthly access to liquidity of 2%. Requests for platform investors exceeding 2% are processed at the sole discretion of La Trobe Financial.

As this Fund is offered to retail investors under a Product Disclosure Statement ('PDS'), it is subject to full regulatory oversight and disclosure requirements designed to protect retail investors.

The Fund is not an account with an ADI and there is a risk of capital loss, forced term extension, general lack of liquidity and carries greater credit risk relative to government-guaranteed term deposits.

In March 2026, the Fund name changed from "La Trobe Australian Credit Fund 12 Month Term Account" to "La Trobe Australian Credit Fund 12 Month Investment Account". There were no changes to the team, process or investment philosophy as a result of the name change.

Lonsec Opinion & Supporting Facts

Structure

The Fund is accessible to retail investors with approximately 60% of flows sourced directly with the balance coming through financial advisors, including via investment platforms. The Fund is structured in a retail-friendly manner with low minimums via platforms whereas other peers in the sector tend to be wholesale-only with high entry thresholds. Retail investors should be aware that the Fund is not a term deposit that is government-guaranteed and carries risks of capital loss, limited liquidity, term extensions, and higher credit risk.

Service Providers

The Fund's Responsible Entity (’RE’) is La Trobe Financial Asset Management Limited. The Fund uses a related-party Responsible Entity (’RE’), which may lead to potential conflicts of interest. While external REs are the preferred operating model, the RE has built experience in operating and managing several registered managed investment schemes over an extended period and is expected to have a structured governance framework. The Manager's custodian and auditor are considered credible. The Fund’s administration services are also internalised. While outsourcing is generally preferred, the Manager is viewed as having the appropriate team size and skill set to manage this function effectively in-house.

Wind-up Risks

Wind-up risk is considered low due to the strategy’s size, growth from net flows, and strong market support.

Deal Allocation Policy

The Fund's allocation policy is well considered and generally more transparent than peers observed in this space. It is outlined in a way that aims to ensure equitable treatment of retail investors. All deals are originated by a team separate to the portfolio management function of the Fund, with consistent credit standards applied to all mortgage assets. Assets are allocated to funding sources based on what is permitted, i.e. the LVR for individual loans must be lower than 80% and be in line with portfolio parameters including geographical diversity and return objectives targeted. In order to ensure all asset classes of investors are treated fairly, the portfolio managers must apply a level of discretion. If any doubts persist in relation to allocations, the Legal & Compliance team must be consulted. Manual re-directions may occasionally be used tactically to optimise allocations between the different accounts and warehouses. Mortgage transfers between the Fund's Investment Accounts are permitted to assist with liquidity management, mandate maintenance and portfolio rebalancing, assuming relevant executives have approved it, and must be recorded in the Investment Decision Schedule ('IDS').

Transparency

The Manager provides monthly reporting which depicts a detailed breakdown of portfolio composition and underlying loan performance to investors. As such, the level of transparency is regarded as high.

Product *(continued)*

Liquidity Details

Gating allowed	Yes (in stressed conditions)
Level of Gating	At discretion of RE
Liquidity Frequency	Direct: Regular Access Cycles post 12 months; Platform: 2% monthly access, with Manager discretion to process higher amounts | Subject to liquidity and additional conditions may apply
Subscription and Redemption Notice Required	30 days' notice, after 12-month lock-in (or per access cycle)

Liquidity

For direct investors, withdrawals are generally permitted for the Fund after the 12-month lock-in period has been satisfied, given 30 days of notice is provided or the Regular Access Invesment plan has been opted into. Early withdrawals are considered but not guaranteed and would incur an early withdrawal fee up to 1.5% of the amount redeemed. Investors should note that withdrawal rights are subject to liquidity and may be delayed or suspended.

For platform investors, investors are subject to different liquidity terms than direct investors. Each platform is treated as a single investor for liquidity purposes with monthly access to liquidity of 2%. Requests for platform investors exceeding 2% are processed at the sole discretion of La Trobe Financial.

The Fund's liquidity management is considered more than adequate. The Manager has identified 30 levers that they can pull to manage the Fund's liquidity, with the most extreme case being freezing / gating the Fund. Notably, unlike many peers during black swan events such as the Global Financial Crisis and COVID, the Fund did not freeze and has never frozen. Withdrawals are primarily facilitated through cash flows from loan repayments. There is also an investor reserve that generally ranges from 0.3% to 0.6% of the portfolio. This reserve is designed to absorb individual loan losses to smooth returns.

Valuation Details

Internal valuation committee	No
Frequency of valuations	Quarterly
Independent valuations	Yes
Type of valuation	Amortised Cost

The Fund's valuation policy for its security assets tends to be more structured than its peer group. The Valuation Policy is embedded in the Manager's Credit Risk Policy Manual. External valuations are required for all security properties at approval and at renewal (generally less than three months old at loan advance). Valuations must be conducted by a qualified and registered valuer who is not affiliated to both the borrower and La Trobe Financial, and who adheres to an industry code of conduct. La Trobe Financial has appointed CoreLogic RP Data and Valocity Global to manage its valuation panel ('Panel Manager'). Members of the valuation panel are accepted and removed by the Origination & Credit Committee which may follow recommendations made by a Panel Manager. Valuers are chosen from an external panel based on expertise and location and must declare any conflicts of interest.

The Fund's loans are valued on a hold to maturity basis and subject to impairment tests. Combined with the Fund's reserve, the Fund's unit price has been dollar stable.

Fees

Annual Fees and Costs (% p.a.)

Management fees & costs	1.83
Performance fee costs	0.00
Net Transaction Costs	0.00
Buy/Sell Spread	0.00/0.00
Annual fees and costs	1.83

Source: FE fundinfo, PDS Date: 12/Mar/2026

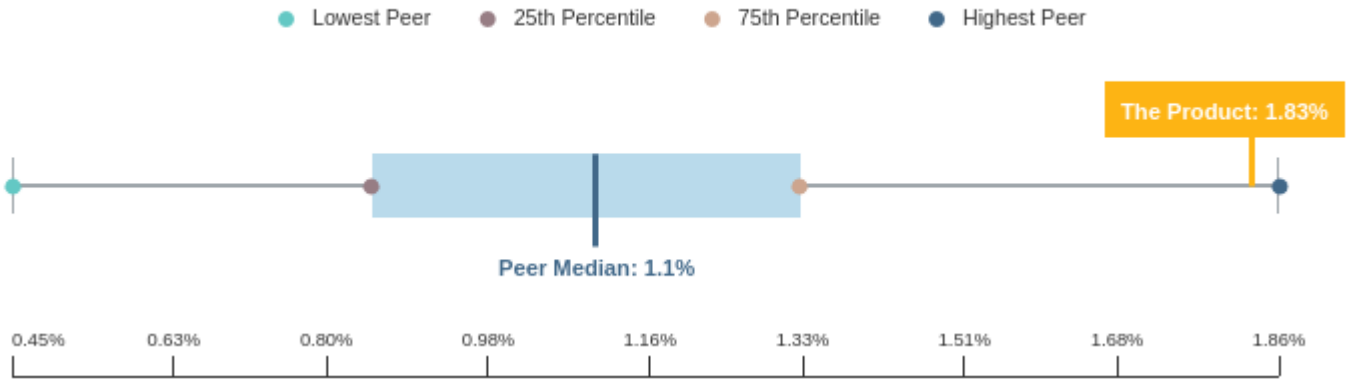
Performance Fees

Applicable	No

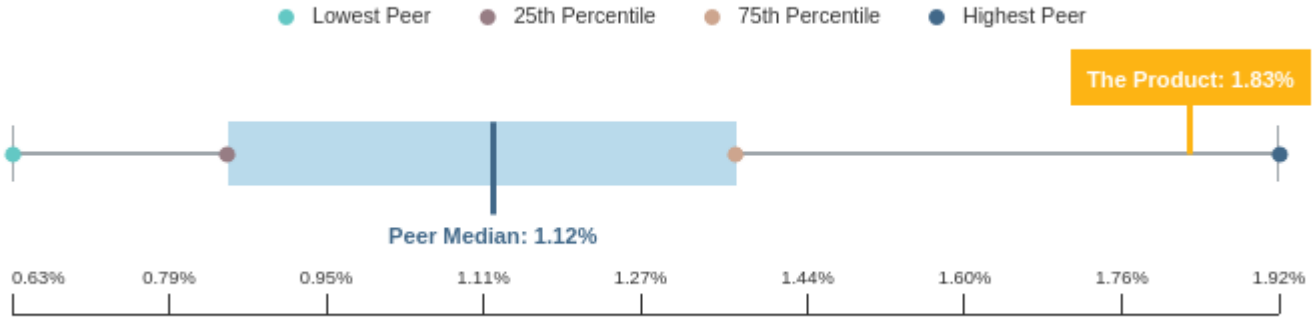
Fees Explained

The Fund's disclosed Annual Fees and Costs ('AFC') totals 1.83% p.a. This fee comprises: (1) Management Fees and Costs of 1.83% p.a. and; (2) Nil Net Transaction Costs. The Manager rebates 0.50% of its Management Fee to clients who invest via a financial adviser. The Fund does not charge buy/sell spreads. The Fund is not subject to a performance fee.

Management Fees and Costs Peer Comparison



Annual Fees and Costs Peer Comparison



Peer Universe: Alternatives - Growth Alternatives (Moderate) - Australian Private Debt - Real Estate

Lonsec Opinion

Annual Fees and Costs

The total fee load for the Fund, as measured by the disclosed AFC, is one of the highest in the 'Australian Private Credit Real Estate' peer group.

La Trobe Financial rebates 0.50% of its Management Fee to clients who invest via a financial adviser. Including this rebate, the fee load is closer to the median of the peer group.

Fairness

While management costs are high relative to its peer group, the management of internally originated mortgage funds is labour-intensive. In addition to the disclosed AFC, additional fees may be charged to the borrower, such as origination fees and default fees. These additional fees may be retained by the Manager which is not considered to be best practice.

Performance

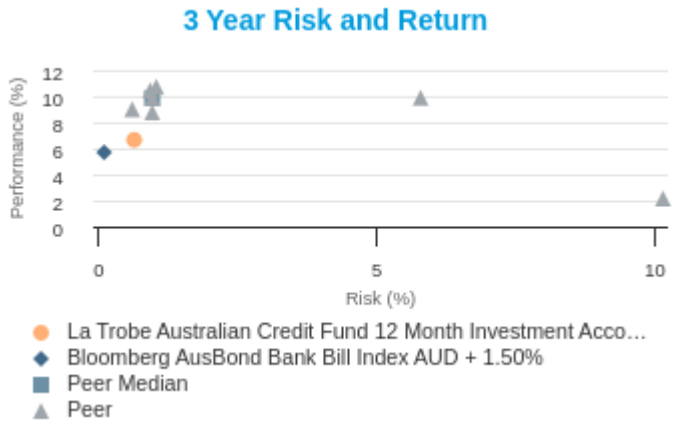
Performance Summary

PDS return objective	The Fund aims to provide investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in a wide range of loans secured by first mortgages in a range of industry sectors.
Internal return objective	Capital stability and income at BAUBIL + 1.5% or higher
Internal risk objective	0 drawdown (100% capital stability)
Product benchmark	Bloomberg AusBond Bank Bill Index AUD + 1.50%
Lonsec peer group	Alternatives - Growth Alternatives (Moderate) - Australian Private Debt - Real Estate

Alpha Generation

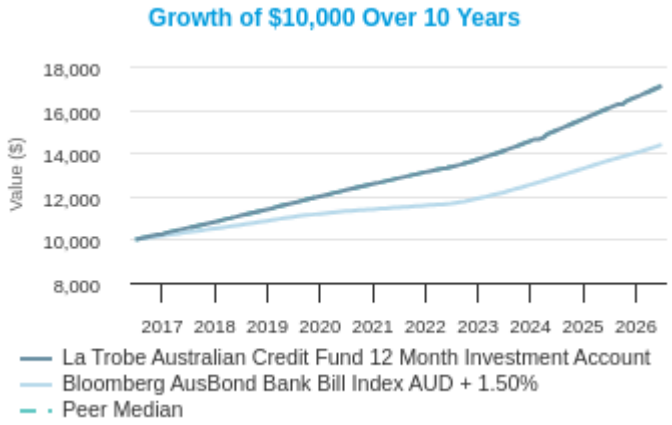
The Fund has a track record of meeting its investment objectives over investment cycles. While the Fund may underperform its Lonsec peer median on absolute terms, the Fund has a long track record of meeting its return objective with a lower risk relative to the peer group over short, medium and long-term rolling periods.





Alpha Consistency

The Fund's performance is consistently meeting its internal objective and demonstrates an ability to deliver returns above its Benchmark over rolling periods. The low variability of investment outcomes on a year-on-year basis is consistent with the Fund's style.



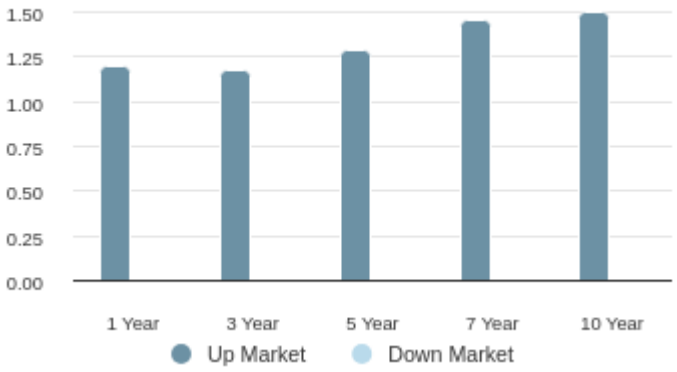


Performance *(continued)*

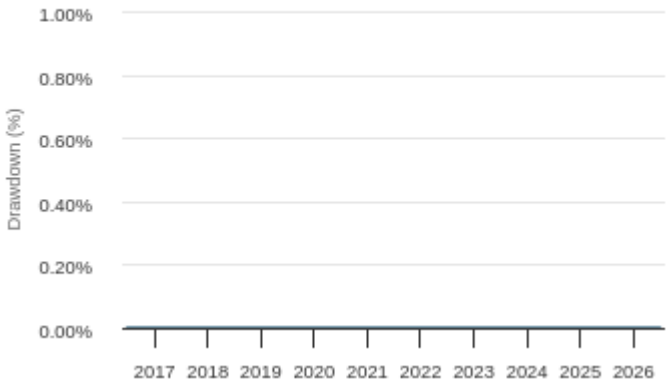
Product Defensiveness

The Fund has yet to experience a negative month since inception. While the Fund's potential return is more attractive than ADI term deposit rates, the Manager carries greater credit risk in comparison to government-guaranteed term deposits.

Market Capture Ratio



Drawdowns



Appendix

Ratings

'**Highly Recommended**' rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.
'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.
'**Investment Grade**' rating indicates that Lonsec has conviction the product can meet its investment objectives.
'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.
'**Not -Approved**' rating indicates that Lonsec does not believe the product can meet its investment objectives.
'**Closed / Wind Up**' status is applied when the product has been closed.
'**Fund Watch**' status is applied when a rating is under review due to the occurrence of a significant event relating to the product.
The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.
The '**Screened Out**' rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.
'**Discontinued Review**' status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.
The '**Ceased Coverage**' status is applied when a rated product is withdrawn from the research process by the product issuer.
'**Not Rated**' is a classification applying to a product not reviewed under Lonsec's Research Process and no view or opinion is being made in any way as to the product's ability to meet its investment objectives.

General

Climate Change / Biodiversity: the extent to which a manager has a leading climate and biodiversity policies.
ESG and Stewardship Reporting: the transparency, accessibility and usefulness of a manager's reporting.
ESG Policy: the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.
Excess return: Return in excess of the benchmark return.
Information ratio: Relative reward for relative risk taken (Excess Returns / Tracking Error).
Key decision maker (KDM): A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.
Market capture ratio: A product's performance during either 'up' or 'down' market trends relative to an index.
Policy Availability / Transparency: the ease of public access to, and transparency of, a manager's overall ESG policy suite.
Public Positioning: the resolve of a manager's commitment to ESG as ascertained by their public positioning.
Returns consistency: The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.
Sharpe ratio: Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.
Standard deviation: Volatility of monthly Absolute Returns.
Stewardship Policies: the strength of a manager's proxy voting and engagement policies with respect to ESG.
Time to recovery: The number of months taken to recover the Worst Drawdown.
Total return: 'Top line' actual return, after fees.
Tracking error: Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).
Worst drawdown: The worst cumulative loss ('peak to trough') experienced over the period assessed.

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Lonsec Research FSG

Financial Services Guide

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1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

Contact Details

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Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395
Email: info@lonsec.com.au
www.lonsec.com.au

1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
  - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
  - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

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Lonsec Research FSG (continued)

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Complaints Manager
Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395
Email: complaints@lonsec.com.au

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:
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Email: info@afca.org.au
Phone: 1800 931 678
Mail:
Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

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This FSG was prepared on 1 August 2024.