

Investor Presentation

Tyalla Capital Private Credit Mortgage Fund

July 2024



Executive Summary



Tyalla Capital is a boutique private investment company & family office committed to generating profits with purpose.

- Private credit offers a unique opportunity to invest capital secured against the Australian real estate market.
- Founders invest alongside external investors, personally and through related family balance sheets.
- Established referrer network provides a reliable and high-quality source of deal flow.

- Active management of the portfolio is critical to achieving attractive returns.
- Current climate provides opportunity for investors to gain exposure to private credit in a market where there is presently and growing demand.
- Current average weighted rate for loans under advice is 11.75% per annum with an average LVR (loan to value ratio) of 46% (not in portfolio).

Opportunity Ahead

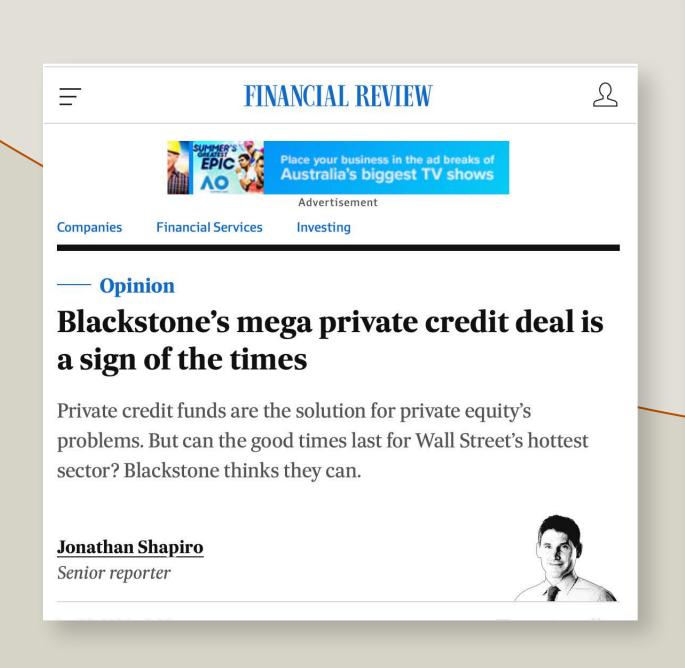


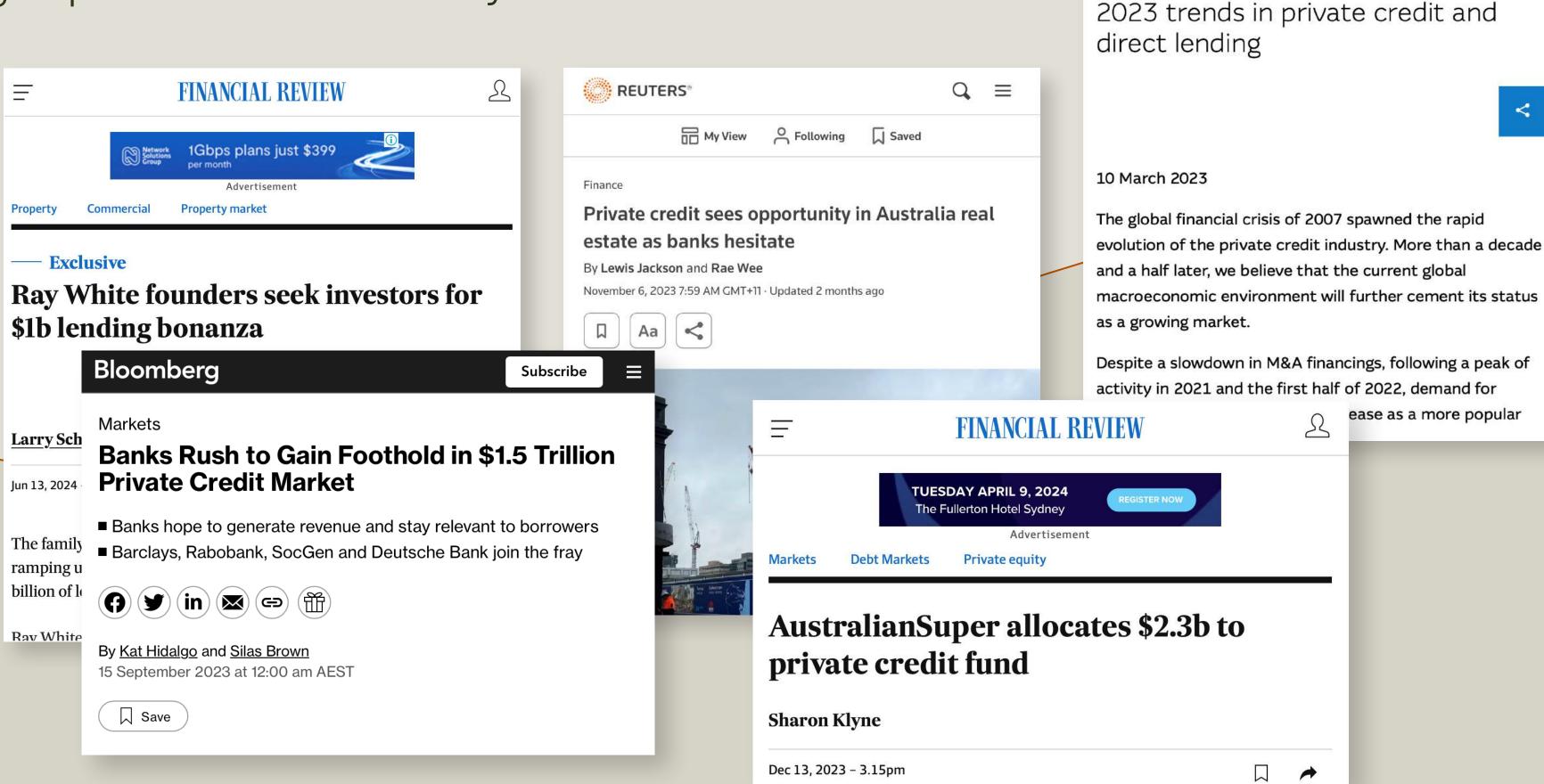
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Perspectives

Tyalla Capital's founders have had a long held tradition of investing in private credit transactions, however 2023 demonstrated a significant increase in demand for non-bank lending expected to sustain for years to come.





Opportunity Ahead



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Street Talk

24/06/2024

Ex-Gandel dealmaker seeks \$50m for private credit fund

There's a new private credit fund in town, helmed by a dealmaker who spent more than 14 years at retail billionaire John Gandel's family office.

Tyalla Capital, a boutique credit investor co-founded by Albert Peker, is shopping a \$50 million raise for a new fund, dubbed the Tyalla Capital Private Credit Mortgage Fund, with promises of a 10 per cent net return.

Potential investors have been told the vehicle would invest in real estate-backed mortgages of up to \$2 million and a 55 per cent target loan-to-value ratio. It's steering clear of development risk, with 80 per cent of the portfolio to be housed in completed, income-producing properties situated in or around the capital cities on the eastern seaboard. There's a 12-month lock-up period for investors.

While private credit funds are a dime a dozen, Tyalla's offering should get some attention, thanks to the team involved.

The firm has hired former Bank of Melbourne boss Scott Tanner to run the investment committee and advisory board. And it's fair to assume Peker, who is chief investment officer, is well-known to the high-net-worth investor community that Tyalla is targeting.

Co-founder James Ostroburski, who serves as Tyalla's CEO and managing director, has made plenty of money for his backers in the past as the founder of Kooyong Group, a specialist lender to doctors that was acquired in 2022 by Avant Mutual.

Over the length of their combined careers, the founders have tallied up \$1.65 billion in loan originations and managed \$2 billion-plus in funds under management, according to Tyalla's pitch to investors seen by Street Talk. They have arranged \$34 million in loans over the past seven years, with claims of no credit impairments or write-downs.

Our Founders





James Ostroburski OAM
Chief Investment Officer & Managing Director



Albert Peker
Chief Investment Officer & Executive Director

Experience

- Founder, CEO & Managing Director Kooyong Group, 2016 – 2023
- Director, Finance & Operations
 Grimsey Wealth Pty Ltd, 2015 2016
- Private Bank Executive,
 Medical & Dental Professionals
 Investec Bank (Australia) Limited,
 2009 2015
- VIC Manager, Corporate & Institutional Treasury
 Credit Union Australia, 2008 2009

Education & Training

- Diploma in Finance & Mortgage Broking Management, The Finance Institute
- Diploma in Financial Planning TMG College Australia
- Master of Business Administration London School of Economics (2025)

Highlights

Founder, CEO & Managing Director of Kooyong Group. As of December 2022; \$1.55b in loan portfolio

Established the Kooyong Funding Warehouse Trust and secured an initial investment of \$250m in 2021

Credit Delegations:

\$1,000,000, Investec Bank (2009 - 2014)

\$5,000,000, Kooyong Group (2021 – 2022) Director of AK Warehouse Pty Ltd, JV between Avant Mutual & Kooyong Group

Awarded Order of Australia (OAM) in 2021 Queen's Birthday Honours List

Chairman, Trustee, Board Director of 14 NFP & Commonwealth Government entities with long-standing record in governance, brand/marketing & fundraising

Experience

- Chief Financial & Strategy Officer, TMG College Australia, 2020 2022
- Associate Director, Global Investments, The Gandel Group, 2005 2019
- Senior Investment Manager, HSBC Asset Management, 2004 – 2005
- Investment Manager & Co-Founder, Jardine Fleming Capital Partners, 1999 – 2003

Education & Training

- Bachelor of Commerce (Economics & Accounting)
 University of Melbourne
- Master of Finance Royal Melbourne Institute of Technology

Highlights

Highly respected and experienced investment manager, analyst and advisor for 25 years with a proven track record in managing significant public and private capital

Experience in a wide range of asset classes including; global equities, domestic & global credit, hedge funds & private equity

Sourcing and allocating best-of-breed investment managers Associate Director of Global Investments at The Gandel Group, one of Australia's largest family offices founded by John Gandel AC

Member of The Gandel Group Investment Committee

Designed and implemented key components of the investment process including; valuation, portfolio management & risk control

Advisory Board





Scott Tanner
Advisory Board Chairman

Managing Director, Greenback Capital (2023 – present)

Executive Chairman, Kay & Burton (2021 – present)

Chairman, GrowthOps (2019 – present)

Executive Chairman, Property Shares (2018 – present)

Chief Digital Officer, Westpac (2017 – 2018)

Chief Executive Officer, Bank of Melbourne (2011 – 2017)

Director, Bain & Company (1995 – 2010)



Sarah Tinsley
Advisory Board Director

General Counsel & Company Secretary, Culture Amp (2019 – present)

Legal & Business Affairs Director, Australian Radio Network (2015 – 2019)

Senior Counsel, Fairfax Radio Network (2014 – 2015)

General Counsel & Company Secretary, Nova Entertainment (2008 – 2014)

Lawyer, Hall & Wilcox (2005 - 2008)

Legal & Regulatory Committee Member, Commercial Radio Australia (2008 – present)



Adrian Fox
Advisory Board Director

Head of Unit Thoracic, Bariatric, Upper Gastrointestinal & Hepatobillary Surgery, Eastern Health (2023 – present)

Surgical Lead - Senior Lecturer, University of Melbourne (2018 to present)

Advisory Board Director, Kooyong Group (now part of Avant), 2016-2019

Hepatobillary Surgeon, St Vincent's Hospital (2011 – present)

Board Member, The Hope Fund (2016 – present)

Victorian State Committee Member, Royal College of Surgeons (2012 – 2017)

Non-Executive Director, Powelltown Sawmills (2012 – present)



Blake Rodgers
Advisory Board Director

Associate Director, SW Accountants & Advisors (2021 – present)

Senior Manager, SW Accountants & Advisors (2016 – 2021)

Manager, PwC (2012 - 2016)

Senior Associate, Daniel Allison & Associates (2010 – 2011)

Senior Accountant, BDO (2008 – 2010)



Tom Hywood

Advisory Board Director

Group General Manager & Executive Leadership Team Member AD Group (2014 – present)

Co-Founder, AD Group (2014 – present)

Metro Media Publishing & Domain Group (2010 – 2014)

Our Values



Trust

We work with integrity while operating ethically.

Leadership

We lead by example, establishing innovative investment products that generate sustainable returns for our clients and align with our values.

Performance

A sustained track record of success through a willingness to go the extra mile.

Expertise

A level of knowledge that allows us to clearly see opportunities where others don't.

Generosity

We are generous with our time, our commitment and importantly, in our support for the communities we live in.



Private Credit

Seize an underserved opportunity



What is Private Lending?



Private lending is the practice of individuals, family office or private institutions providing loans to borrowers directly, without involving traditional financial institutions such as banks or credit unions at customised terms agreed to by both parties.

- Private lending offers more flexibility in terms of loan approval criteria and repayment terms compared to traditional lending sources, who are more rigid with their requirements.
- Private lending is an attractive alternative for borrowers who may not qualify for loans from traditional lenders due to factors such as limited or irregular income, delays in tax lodgement, timing & complex structures.
- Every private debt solution is tailored to the particular scenario, because we know that no two transactions are the same.
- The purpose of funds must be wholly or primarily for business and/or investment purposes⁺.

Addressing Present and Future Demand



Tyalla Capital has decades of investment and credit experience, providing a strong foundation for risk management, growth and fund performance.

- Highly experienced founders with 15 years of credit experience, writing over \$1.65 billion in loans.
- Founders and families have a long history of private lending secured against Australian real estate for business & investment purposes.

- Over 45 years of investment experience including management of over \$2.0 billion in institutional and family office capital across multiple asset classes in Australia and offshore.
- With unprecedented growth in private credit within the Australian debt market, we see a significant opportunity which has led to the decision to source external capital to allow us to grow more rapidly and share the opportunity with our investors.

An Attractive Investment



Tyalla Capital's Private Credit Mortgage Fund offers investors regular income with asset-backed security by way of a high quality Australian real estate mortgages.

Private loans are extended to credit-worthy borrowers who have been neglected due to structural reasons unrelated to the strength of their balance sheet or cash flows.

Private credit increasingly viewed as a resilient and core investment product.

\$70bn market provides strong opportunity for Tyalla Capital to continue to be selective with exposures and risk appetite.

Our Difference



- Tyalla Capital's Private Credit strategy provides fund investors access to the SME & Private Investor market, a highly differentiated offering compared to the crowded developer & construction lending segment.
- Tyalla Capital demonstrates a conservative risk management approach, backed by quality Australian real estate.
- Our key risk metric, the Loan to Value Ratio (LVR) is based on real assets with real valuation today. Whilst we are interested in the future value of an asset, we mitigate risk by anchoring to the value today.

- Our deal flow is sourced from a proprietary network of professional contacts ensuring deals are negotiated without competitive tension, generating attractive rates to our investors.
- Our comprehensive risk and credit analysis evaluates the borrower's bona fides and financial strength in tandem with the transaction.
- Very strong deal pipeline, with significant diversity of property asset class and geography.



The Market



Market Segments



We work with the following referrers

Private Networks

Clients approaching us directly as a result of positive experience from word-of-mouth referrals.

Finance Brokers

Collaborate with Finance
Brokers to assist with shorter
term solutions until bank finance
is again available for their
customers.

Accountants, Lawyers

We assist in finding a solution to complex situations such as estate planning, divorce, etc.

Advisors

We are often able to assist with strategic transactions by providing funds backed by property.

To find solutions for the following borrowers

SME

Business owners are provided capital quickly by utilising property assets to fund and grow their operations or invest in property.

HNW/Retirees

HNWs and retirees can obtain credit by relying on their asset holdings without the requirement for punitive interest coverage to fund investment activities.

Investors

Property Investors have the flexibility of accessing capital quickly to exploit opportunities across all asset classes by leveraging their holdings.

Professionals

Professionals often require temporary funding to invest in their career or other assets supported by their earnings power.

Competitive Landscape



This highlights the advantages that Tyalla Capital enjoys over its competitors.

Our ability to be flexible with respect to loan size, duration, and other key parameters allows us to offer a compelling service to a wide array of borrowers and a certain degree of pricing power.

- Flexibility of loan terms provides a compelling solution for borrowers
- Compete in a niche below majors with few peers
- Negotiated terms generally lead to better returns for investors

		COMPETITORS															
	Tyalla Capital	Α	В	С	D	Е	F	G	Н	I	J	K	L	M	N	0	Р
Loan Size Range	/	X	/	X	×	×	×	X	X	X	X	×	×	/	X	X	/
1 Month Loan Term Available		X	/	X	×	×	×	X	X	X	X	×	×	X	X	X	×
No Min Revenue Turnover	/	X	X	X	×	×	×	X	X	X	X	~	/	/	X	/	~
Months in Business Required	/	X	X	X	×	×	×	×	×	×	X	×	/	/	X	/	/
Fast Approval	~	/	/	/	/	/	/	/	/	/	/	/	/	×	X	/	×
Overall Score	***	*	**	*	*	*	*	*	*	*	*	**	**	**		**	**

The \$70bn Opportunity





Total Addressable Market

There are circa 2.6 million SMEs in Australia.

Funding Requirements

Every year, approximately 1 in 6 SMEs apply for finance

Serviceable Addressable Market

This equate to 430,000 small companies seeking finance every year

Preparedness to Borrow

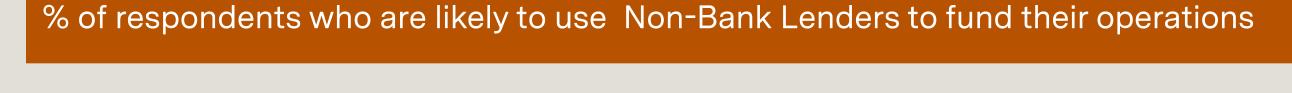
Currently, 1 in 2 SMEs are likely to use Non-Bank lenders to fund their operations

The Opportunity

The combination of the factors above means that there are 140,000 SMEs that Tyalla Capital could serve annually. With an average SME loan of \$309k, the potential market is \$70 billion dollars annually

Meeting The Demand







- The growing demand for credit by SMEs is likely to be met by non-bank lenders such as Tyalla Capital.
- Non-bank lending, of which Private Credit is a major component, is growing rapidly to fill the gap vacated by the major banks.
- According to the ScotPac SME Index Survey, 52% of SMEs are planning to fund business growth via a non-bank lender, more than triple the rate only 4 years ago.



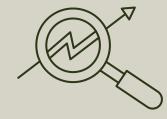
Risk Management



Risk Mitigation - A Core Focus

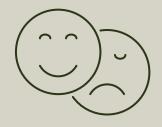


We control risk via a 3-tiered process where we focus on the 3 key components of the transaction:



Credit Control

Quantitative limits determine loan size depending on property secured, location and valuation limits.



Credit Analysis

Qualitative assessment of the borrower is conducted to ensure there is no adverse credit history, the information provided is verified and AML/KYC checks conducted.



Underwriting Strength

The underlying security of each loan ensures that capital is protected, relying on both an independent valuation and an internal Corelogic desktop valuation.

Credit Control



Loan to Value Ratio (LVR) Maximum							
Duo o o utv. Tv. vo o	Property Class						
Property Type	А	В	С				
Residential	75%	70%	60%				
Commercial	70%	65%	50%				
Industrial	65%	60%	50%				
Construction	60%	50%	45%				

- We conduct our own property value analysis, in addition to using independent valuers for each transaction assessing current market value which includes a detailed risk profile of the asset.
- We apply a rigorous credit assessment and approval process based on 15 years experience in credit risk.
- Tyalla Capital will take either a 1st Registered Mortgage, 2nd Registered Mortgage or Caveat security over Australian real estate to secure loans issued to borrowers.

Property Types					
Property Type	Description				
A	Within 35kms of Melbourne, Sydney & Brisbane CBD				
В	Between 35-60kms of Melbourne, Sydney & Brisbane CBD				
С	60kms+ from Melbourne, Sydney & Brisbane CBD				

(SA, WA, TAS, NT & ACT subject to individual assessment)

- Tyalla Capital has adopted a credit & risk management policy that provides our investors with significant property security to ensure funds invested are highly secure.
- We will only lend to a maximum of 75% Loan to Value Ratio (LVR) to ensure there is an appropriate buffer in the unlikely event of property market weakness.

Credit Analysis



In addition to the systematic and quantitative metrics employed, Tyalla Capital takes additional steps to protect investor capital by way of a sophisticated qualitative review and assessment process backed by 45+ years experience in credit and investments.

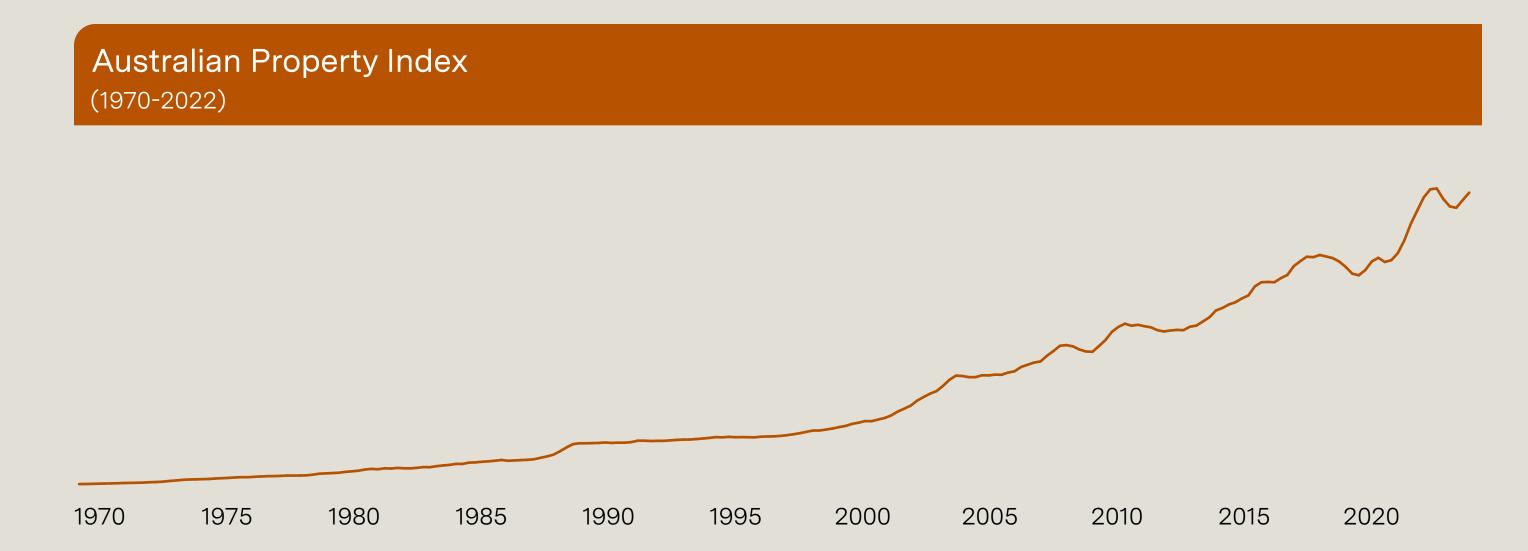
This is achieved by a fervent focus on the following:

- Ensuring an independent and rigorous 3rd party valuation of the property is undertaken by an accredited valuer.
- A full Statement of Financial Position is obtained and interrogated for each borrowing entity and guarantor, including verification of debt limits.
- Multiple exit strategies are assessed to exist, each with a medium to high probability of confidence.

- The loan & mortgage documentation prepared by a Top-Tier Law Firm.
- Each loan document is reviewed & executed by an independent third-party legal firm with a strong track record.
- The Advisory Board's Investment Committee will convene to make decisions on deals greater than \$3 million.

Underwriting Strength





- Tyalla Capital would take all reasonable steps prior to enforce a Loan Deed.
- However, if any defaults were to arise we would instruct our legal team and have very high confidence that the quality of the documentation, loan execution and the value of the underlying property security will underpin the capital of investors.

The chart shows annual price fluctuations have been exceptionally rare, only occuring 9% of the time and never greater than 10% in decline and value.

Tyalla Capital differentiates itself with respect to other lenders by:

- The security is predominantly established, income-generating property
- Property valuations are conducted by expert independent valuers
- Our LVRs are based on present valuations, even if funding development projects

Deal Analysis



Each transaction goes through a rigorous assessment and review process, based on quantitative & qualitative factors as well as decades of credit risk experience of the Founders.

100%

Inquiries

Loan application received from a direct or referral source.

16%

Outside Mandate

Each transation is pre-qualified using our credit risk matrix, with 16% of transactions falling outside our credit appetite.

31%

Conditions Unmet

31% of transactions received will be deemed unsuitable due to inability to meet pre-approval conditions.

35%

Analyzed & Rejected

Tyalla Capital determined that the transaction is not suitable for our credit appetite.

7%

Deal Lost

Transaction does not proceed at the borrowers decision.

11%

Completed

After going through our assessment process, the transaction proceeds to settlement.

Benefits of Fund Investment



✓ Diversification

Allows investors to diversify their investment across a range of borrowers, loan durations and property types, etc.

Ability to Act Quickly

Opportunities often present where the ability to fund a deal quickly will allow outsized interest rates to be enjoyed if capital readily available.

Access to A Wider Opportunity Set

Investors participate in ALL fund investments. This provides an efficient mechanism to gain exposure to a wider set of loans than are available on a stand-alone basis.

✓ Regular Income

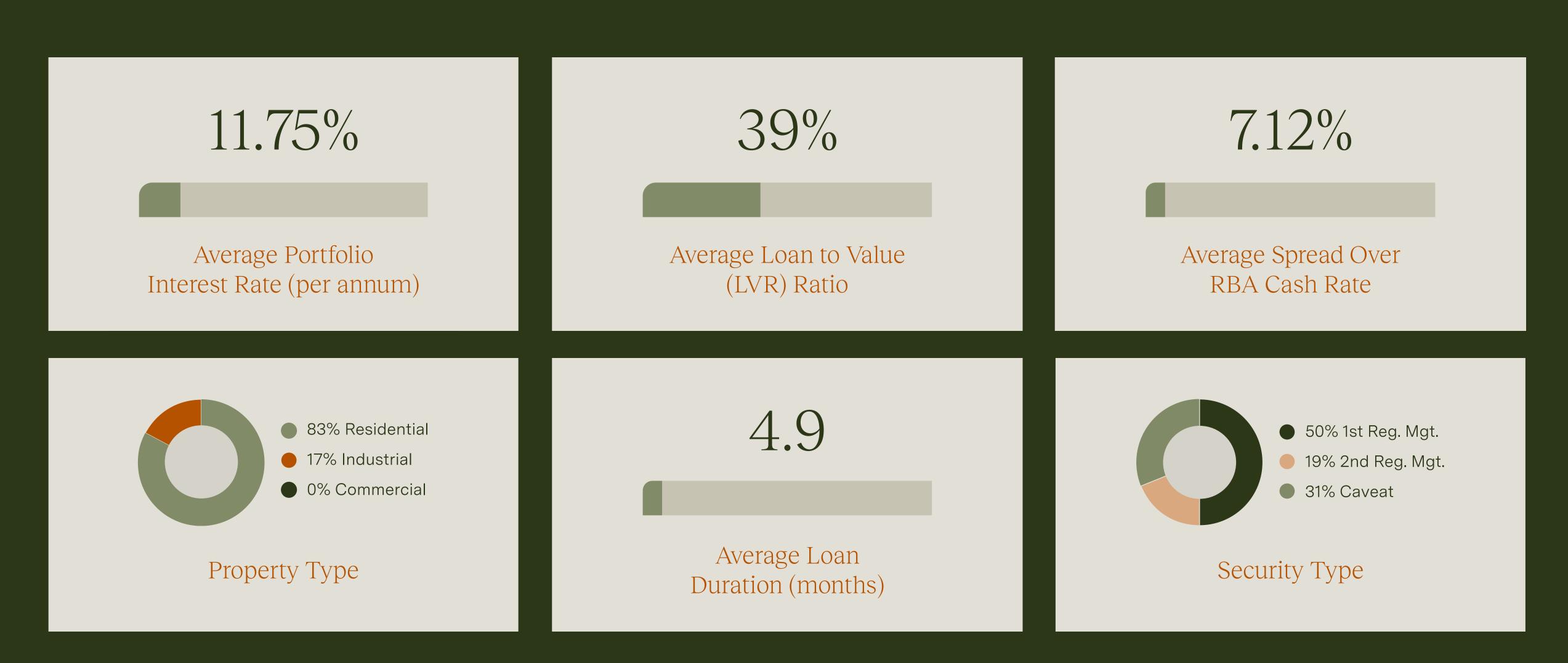
The fund distributes all income on a regular basis providing an attractive income stream for investors.

High Calibre Management Team

The Fund is managed by professional investment and credit managers with impressive long-term track records in generating value for investors.

Loans arranged by Tyalla Capital founders





Portfolio as at 31/05/24

Our Competitive Advantage is Multi Faceted



Deal Size

- Limited competition with major players.
- Compete in a sweet spot above consumerfocused lenders and below the majors.

Loan Term

- Ability to be flexible, tailored to borrower.
- Meet borrowers' needs far better than competitors.

Deal Source

- Focusing on high quality referral partners; lawyers, accountants and finance brokers.
- Allows synergistic relationships to be built.
- Referrer relationship allows access to quality information and background on the borrower.
- Growing word-of-mouth and repeated referrals a positive reflection of value proposition.



Credit analysis

- Capability and experience to adequately assess each transaction within policy parameters.
- Market leading track record, with no impairments or financial losses since the inception of strategy.

Alignment

- Adding value to client relationships by solving borrowers' immediate liquidity issues.
- Founders invest alongside external investors.

Pricing

- Quality of historic portfolio and relatively conservative credit risk approach, allows us to remain competitive.
- Strong relationships with referrers allows us to avoid competitive situations where we have to reduce pricing.

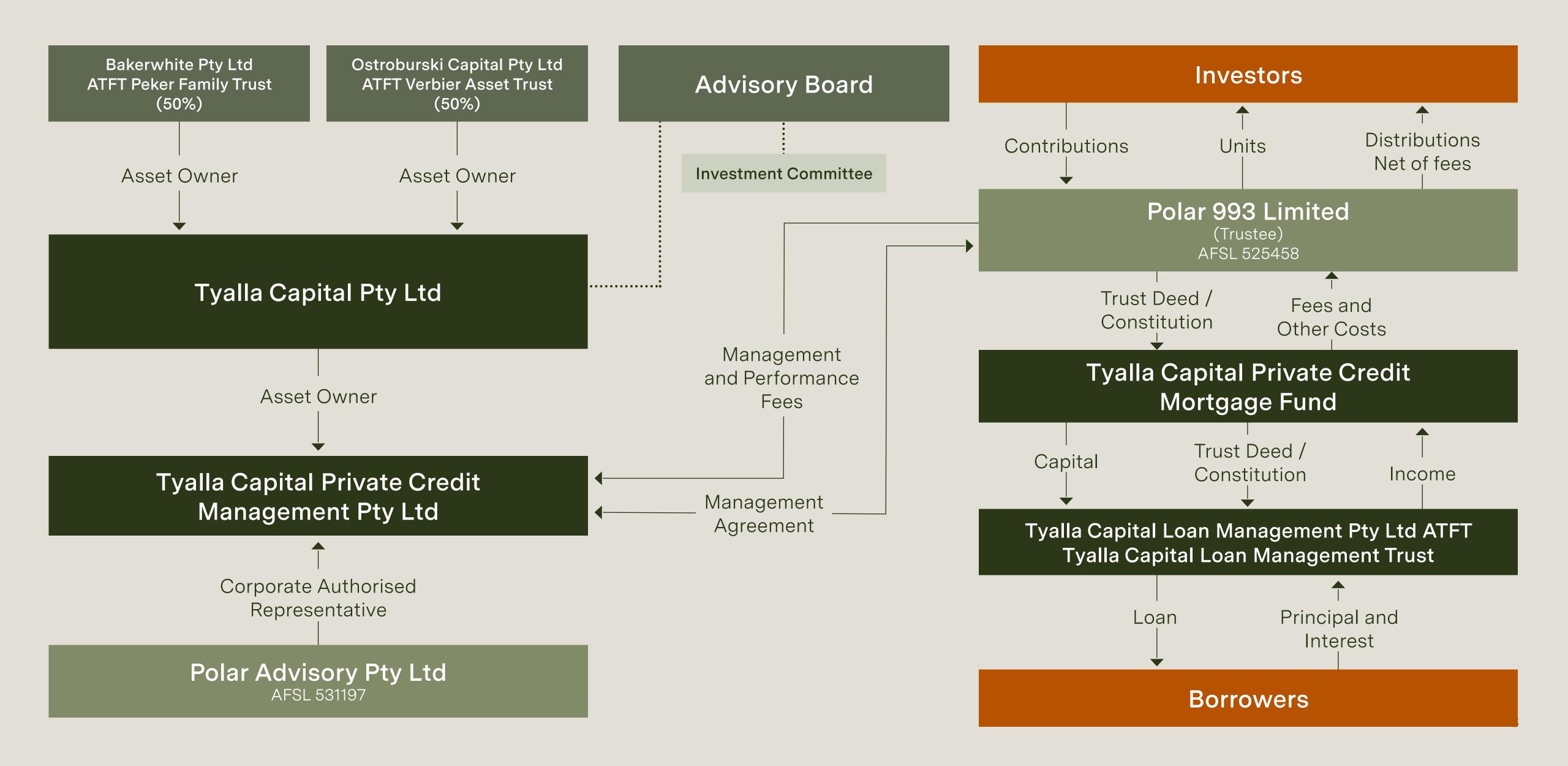


Appendix



Structure





Corporate Governance



Tyalla Capital key partners are:

Manager	Tyalla Capital Private Credit Management Pty Ltd (ACN 674 222 970)				
Trustee	Polar 993 Limited (ACN 642 129 226)				
Legal Counsel	Arnold Bloch Leibler				
Accountant & Tax Advisor	SW Accountants and Advisors				
Fund Auditor	Ernst & Young				
Fund Administrator	993 Fund Services Pty Ltd (ACN 665 089 421)				

Corporate Governance



Primary & Supporting resource providers:

	Primary Resources	Supporting Resources
Legal Documentation and Counsel	Arnold Bloch Leibler	Mann Legal & Joel Carroll Law
Accounting & Taxation	SW Accountants and Advisors	Insight Ivy Pty Ltd
Property Valuations	Independent Panel of Property Valuers	CoreLogic RP Data
Loan Management Platform	ADAX	Internal Proprietary Systems
IT Systems	Microsoft 365	SkyKick
Cyber & Data Security	Microsoft Defender for Business	SkyKick
IT Service Provider	Windstil Group	SkyKick

Key Fund Information



Type of Fund	Unregistered Wholesale Unit Trust					
Investment Objective	To generate attractive returns to wholesale & sophisticated investors					
Investment Strategy	Investing in private credit facilities, secured by Australian real estate. Private loans will be provided to SMEs, investors & entrepreneurs for business or investment use.					
Target Returns	10.00% per annum*					
Who Can Invest	Wholesale Investors as defined in the Corporations Act (2001)					
Investment Manager	Tyalla Capital Private Credit Management Pty Ltd					
Distributions	Quarterly, in arrears					
Initial Investment Term	12 months					
Redemption Notice	Quarterly, with 45 days notice					
Management Fee	1.50% (plus GST) per annum of the net asset value of the fund					
Hurdle Rate	The Hurdle Rate** is defined as the RBA Cash Rate plus the Performance Margin. The Hurdle Rate as at 30 June 2024 is 8.35% per annum after all costs, expenses and capital impairments (if any).					
Performance Margin	4.00% per annum					
Performance Fee	20% of the excess return after costs, expenses and capital impairments (if any) above the Hurdle Rate. This amount (plus GST) is payable quarterly in arrears at the end of each calendar quarter.					
Minimum Initial Commitment	\$500,000 (subject to management discretion)					

^{*} Target Returns are based on the current interest rate conditions and will be subject to change at the discretion of the Investment Manager in line with market conditions. Target Return does not include fees & charges.

^{**} Hurlde Rate is such rate as the Investment Manager determines from time-to-time having regard to prevailing interest rates.



Thank you







General Disclaimer

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