



REAL ESTATE
PRIVATE CREDIT FUND II
(RECF II)

MARCH 2024

RW CAPITAL
PART OF THE WHITE FAMILY OFFICE
SINCE 1902

RW Capital Real Estate Credit Fund at a Glance

RW Capital is an experienced alternative credit manager, founded in 2001 as a family office and formed into a GP in 2015. RW Capital has 20+ years of private credit investing experience

A\$4.6bn

Invested into Australian Real Estate Credit Since 2001

48

Credit Investments to Date w/ Nil Loss Ratio¹

16% p.a.

Realised Gross IRR of \$2.1bn in Senior Debt Investments

26% p.a.

Realised Gross IRR of \$232m in Junior Debt Investments



Family Owned and Led Business with **120+** Years of History



RECF II is targeting a **Net IRR of >14% p.a.** over **2-3 Year Term**



Flexible Mandate across all RE Sectors & **80-100% Allocation to First Mortgage Loans**



Investing in Australia & NZ where we can leverage the **Ray White Ecosystem** (10,000+ Employees)

RECF II Fund Terms

Fund Structure and Term	<ul style="list-style-type: none"> Wholesale closed-end unit trust with a target fund term of 2-3 years Initial 6-12 months to deploy capital with remaining 1-2 years for the fund investments to mature
Investment Strategy	<ul style="list-style-type: none"> Unconstrained mandate to cover Australia and New Zealand, all CRE asset classes and stage in development cycle Invests across the debt spectrum including senior secured loans, subordinated loans, unsecured loans and preferred equity
Credit Limit	<ul style="list-style-type: none"> At least 80% of the Fund will be invested into senior secured / first mortgage loans Up to 20% of the Fund will be invested into subordinated loans, unsecured loans and preferred equity
Concentration Limit	<ul style="list-style-type: none"> No more than 20% of total committed capital to be invested in a single transaction
Target Size	<ul style="list-style-type: none"> A\$400 million incorporating Investment Managed Accounts (IMAs)
Target Close Date	<ul style="list-style-type: none"> 29 November 2024 (First Close: 3 May 2024 or when A\$100 million in commitments are reached)
Target Return	<ul style="list-style-type: none"> >14% p.a. IRR, pre-tax, net of fees and costs
Target Running Yield	<ul style="list-style-type: none"> 6.0% p.a.
Performance Benchmark	<ul style="list-style-type: none"> Absolute return focus
Fees	<ul style="list-style-type: none"> Management Fee: 1.00% p.a. on drawn capital Performance Fee: 20% of performance in excess of a hurdle rate of 10% p.a. IRR Cost Recovery: Cost recoveries for legal, accounting, fund administration and capital raising services related to the establishment and ongoing operations of the Fund
Loan Arrangement Fees	<ul style="list-style-type: none"> The Manager will retain any loan arrangement fees paid by the borrower up to 1.50% of the loan facility limit (plus any capitalised interest). Any amount above this threshold will be shared equally between the Manager and the Fund
Manager Co-investment on Same Terms	<ul style="list-style-type: none"> The Manager (and affiliates) are targeting co-investment of the lesser of 5% of the Fund; or \$5 million The co-investment will be on the same terms as all other investors
Distributions	<ul style="list-style-type: none"> Loan principal and any capitalised interest will be distributed to investors when repaid. Any interest servicing received will be paid quarterly to investors Priority to reinvest into next successor fund
Co-investment Rights	<ul style="list-style-type: none"> Co-investment rights to be negotiated individually, subject to a minimum threshold
Fund Leverage	<ul style="list-style-type: none"> No fund back-leverage was adopted for RECF I RECF II will allow flexibility for up to 20% of the overall fund size to be borrowed / back-levered
Fund Reporting	<ul style="list-style-type: none"> Quarterly fund report and half yearly investor webinar
Governance	<ul style="list-style-type: none"> RW Capital will maintain negative control on major decisions on each of its loans but not necessarily complete control (where Fund concentration limits and compliance with <i>s128f Income Tax Assessment Act 1936 (Cth)</i> are likely to necessitate syndication)
Cost Recoveries	<ul style="list-style-type: none"> Ongoing annual legal, accounting and administration will be recovered from the Fund
GST	<ul style="list-style-type: none"> All fees, expenses and costs shown are exclusive of GST

Key Credit Strategies

Our core investment expertise is in three types of private credit investments that unlock the ability for Borrowers to enhance asset value

Credit Fund Deal Types

First Mortgage: 80-100% Allocation

Junior: Up to 20% Allocation (First Mortgage, Mezzanine/Subordinated or Preferred Equity)

Bridge Asset Finance to Stabilisation

- ✓ Senior funding to enable Borrowers to **stabilise assets** over 12-24 months
- ✓ **Typically for working capital** and/or **capex** such as refurbishments on existing assets, and/or to achieve **statutory approvals or precommitments**
- ✓ **Target LVR:** ~55-65%
- ✓ **Typical Tenor:** 12-24 Months

Senior Solutions Finance

- ✓ **Heightened volatility** in credit markets creating pockets of opportunities for **short-term, high-returning transactions**
- ✓ Loans generally applied to **completing projects** or solving for **equity shortfall on settlements**
- ✓ **Target LVR:** ~60-70%
- ✓ **Typical Tenor:** 6-18 Months

Special Situations

- ✓ **Opportunistic** and structured **debt**
- ✓ Typically involves the **necessity** for **expedited deal execution**
- ✓ **Generally high returning** and may involve element of **profit share / equity upside** with **downside protection**
- ✓ **Typical Tenor:** <6 Months

12-15% p.a.

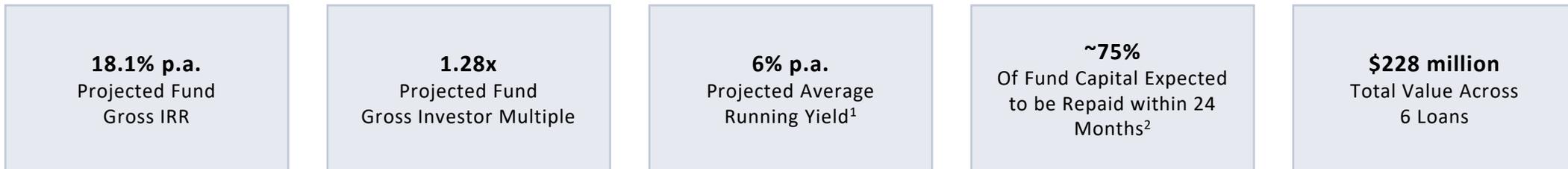
16-20% p.a.

20%+ p.a.

Target IRR

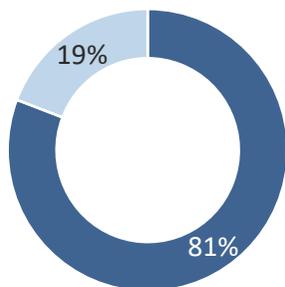
RECF I Portfolio Update

RECF I will be fully deployed by Q1 2024 across 6 deals. RECF I is projected to return a Gross IRR of 18.1% p.a. over a total projected fund term of 34 months (with the majority of deals maturing between months 12-24)



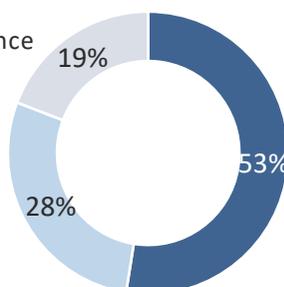
Capital Structure

- First Mortgage
- Junior Debt



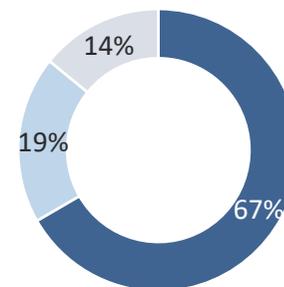
Deal Type

- Bridge Asset Finance
- Senior Solution Finance
- Special Situations



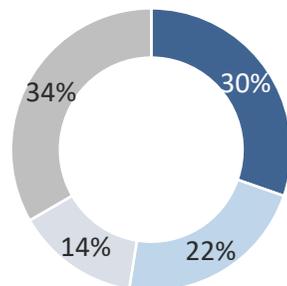
Deal LVR Composition

- 60-70%
- 70-80%
- Pref Equity



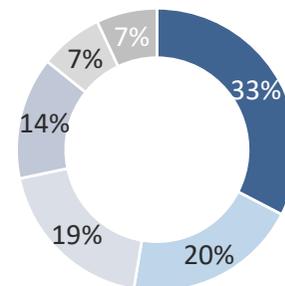
Sector

- Industrial
- Hospitality
- Residential – Land
- Residential - Apartments



Location

- South Sydney
- Western Sydney
- Sydney CDB
- Auckland
- South-West Melbourne
- Gold Coast



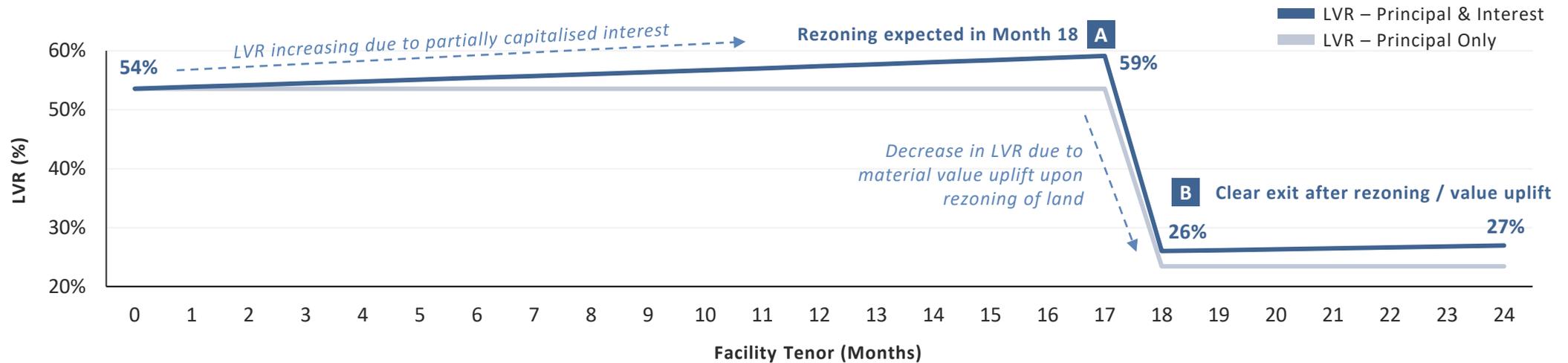
Majority of capital deployed in **Major Capital Cities** (e.g., Sydney / Melbourne)

Notes: (1) Average running yield for transactions that provide a cashflow yield. (2) Total capital expected to be returned to Investors by Month 24 divided by total fund capital raised.

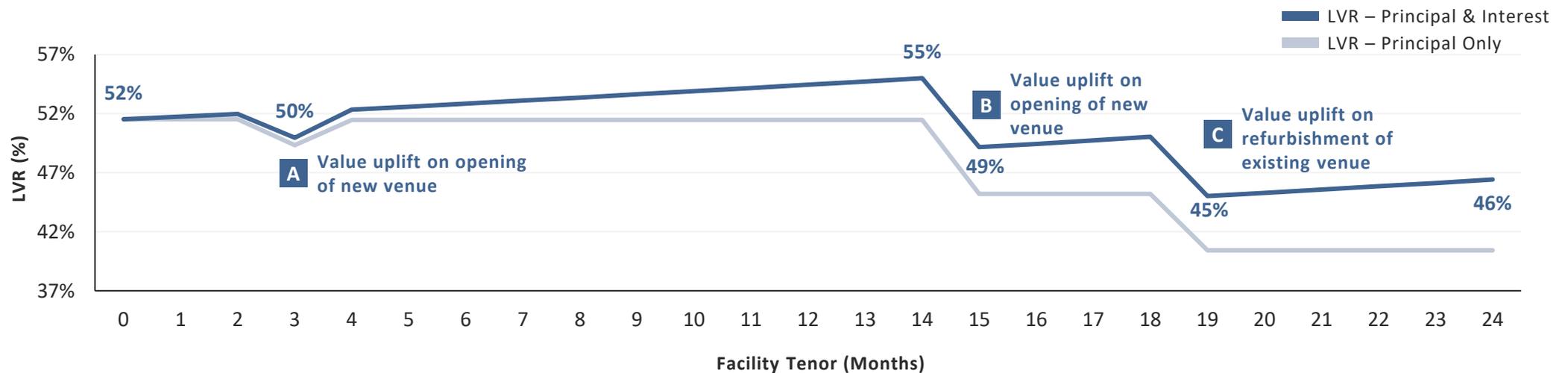
Exit Strategy Analysis

Our loans are typically structured to permit the sponsor to add value to the asset(s), enhancing the security position and/or liquidity, hence allowing for a refinance or sale once the asset is stabilised

LVR Analysis – Western Sydney Industrial (Existing RECF I Investment)



LVR Analysis – Hospitality Portfolio Loan (Existing RECF I Investment)

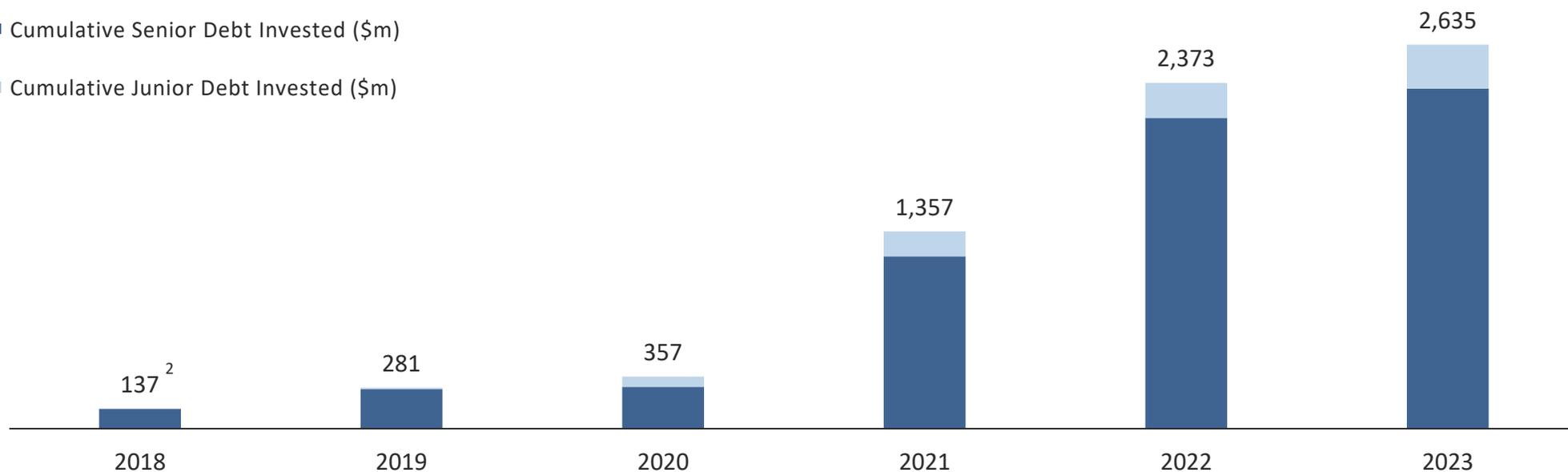


RW Capital Track Record & Highlights

RW Capital has experienced significant growth in capital deployment for credit strategies over 2021-23, with exceptional realised returns

<p>\$2.6 billion Capital Deployed in Credit Since 2017</p>	<p>\$656 million Assets Under Management¹</p>	<p>16% p.a. Senior Debt Weighted Average Realised IRR</p>	<p>26% p.a. Junior Debt Weighted Average Realised IRR</p>
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■ Cumulative Senior Debt Invested (\$m)
■ Cumulative Junior Debt Invested (\$m)



	2018	2019	2020	2021	2022	2023
# Deals Invested	3	4	5	11	12	7
Realised IRR ³	N/A	17%	34%	29%	17%	98% ⁴

Source: Internal RW Capital analysis.
 Notes: (1) Includes equity investments.
 (2) Includes deals executed in 2017.
 (3) Weighted average realised gross IRR for deals realised in the corresponding years.

(4) Includes 299% IRR special situations deal. Weighted average realised return for 2023 is 18% p.a. excluding this deal.

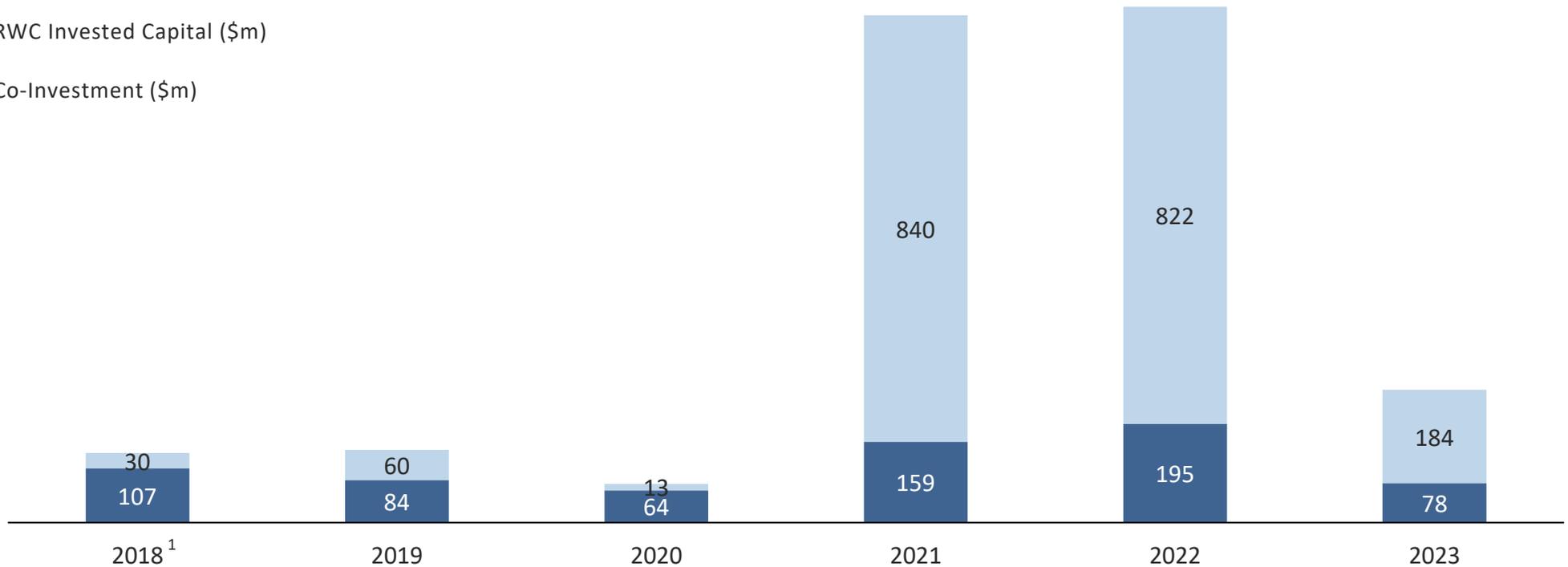
Scaling via Co-Investment Opportunities

RW Capital has historically had significant potential for investors to scale their investments via co-investment opportunities

Co-Investment comprises c.74% of overall capital invested by RWC to date

■ RWC Invested Capital (\$m)

■ Co-Investment (\$m)



% Co-Investment



Source: Internal RW Capital analysis.
Notes: (1) Includes deals executed in 2017.

Realised Senior Debt Returns Since 2017

\$2.1bn
Capital Realised

16% p.a.
Weighted Average IRR

76%
Weighted Average LVR

17 Months
Weighted Average Tenor

	Project Name	Sector	Entered	Deal Size (A\$m)	LVR (%)	Tenor (mth)	Gross IRR p.a. (%)
Senior Debt	Duke Apartments	Residential	2017	34	65%	8	23%
	Ashfield The Place	Residential	2017	44	68%	18	19%
	Dural First Mortgage	Alternative	2017	9	82%	13	19%
	North Bondi	Residential	2017	6	68%	17	15%
	Compass Centre Bankstown	Mixed Use	2017	13	34%	22	12%
	Ashfield Liverpool Road	Mixed Use	2018	5	66%	13	11%
	Double Bay	Mixed Use	2018	25	67%	39	12%
	Peakhurst Inn	Hotel/Pub	2019	25	59%	18	12%
	Badgerys Creek	Industrial	2021	580	80%	15	16%
	The Mews Cobbitty	Residential	2021	203	78%	5	26%
	Whenuapai New Zealand	Industrial	2021	9	47%	8	13%
	Shoalhaven	Residential	2021	2	59%	16	16%
	Oxley Ridge North	Residential	2021	88	67%	12	12%
	Mascot	Industrial	2022	82	53%	6	16%
	GME	Alternative	2022	5	66%	14	13%
	Western Sydney	Industrial	2022	827	80%	21	14%
Queenstown	Residential	2022	11	80%	22	16%	
	Total			1,969	77%	17	16%
Convertible Senior	Cobbitty	Residential	2019	100	67%	27	18%
	Double Bay II	Mixed Use	2020	16	65%	17	11%
	GC Main Beach Ternet	Residential	2019	10	81%	28	18%
	Total			126	68%	26	17%
				2,095	76%	17	16%

Realised Jnr Debt & Special Situations Returns Since 2017

\$232m
Capital Realised

101% p.a.
Weighted Average IRR

69%
Weighted Average LVR¹

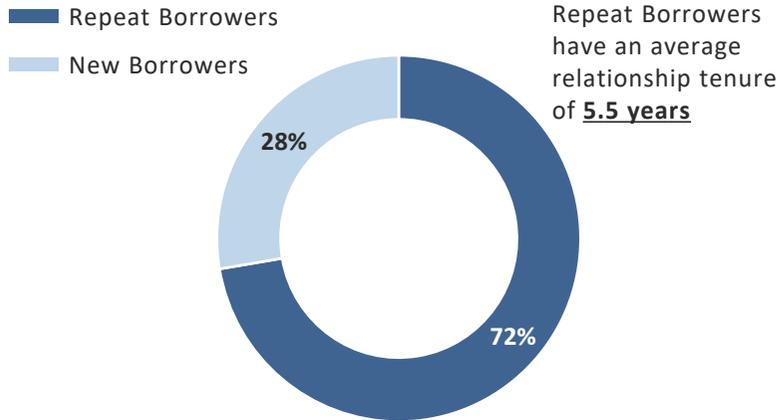
6 Months
Weighted Average Tenor

	Project Name	Sector	Entered	Deal Size (A\$m)	LVR (%)	Tenor (mth)	Gross IRR p.a. (%)
Junior Debt	Greystanes Industrial	Industrial	2019	8	78%	18	17%
	Clydesdale P1 Mezzanine Trust	Residential	2020	32	55%	9	36%
	Mews Regearing Facility	Residential	2021	66	78%	3	26%
	Bridgeman Downs	Residential	2022	1	77%	3	83%
	Pub Loan	Hotel/Pub	2018	1	36%	7	11%
	Ocean Beach Hotel	Hotel/Pub	2021	2	54%	6	14%
	Pub Group Loan I	Hotel/Pub	2020	8	55%	18	12%
	Ringwood	Hotel/Pub	2022	2	42%	6	13%
	Abbotsford	Residential	2022	8	60%	13	16%
	Main Beach Pref	Residential	2022	6	91%	15	16%
	Total				135	69%	8
Special Situations	RW Capital Opportunity 1	Residential	2020	5	N/A	1	144%
	RW Capital Opportunity 2	Residential	2020	15	N/A	5	123%
	RW Capital Opportunity 3	Residential	2021	5	N/A	1	230%
	RW Capital Opportunity 4	Residential	2022	22	N/A	7	80%
	RW Capital Opportunity 5	Residential	2023	2	N/A	7	49%
	RW Capital Opportunity 6	Mixed Use	2023	48	N/A	1	299%
	Total				97	N/A	3
				232	69%	6	101%

Origination Network and Pipeline

RW Capital's origination network and pipeline are underpinned by deep relationships and a strong reputation in the market

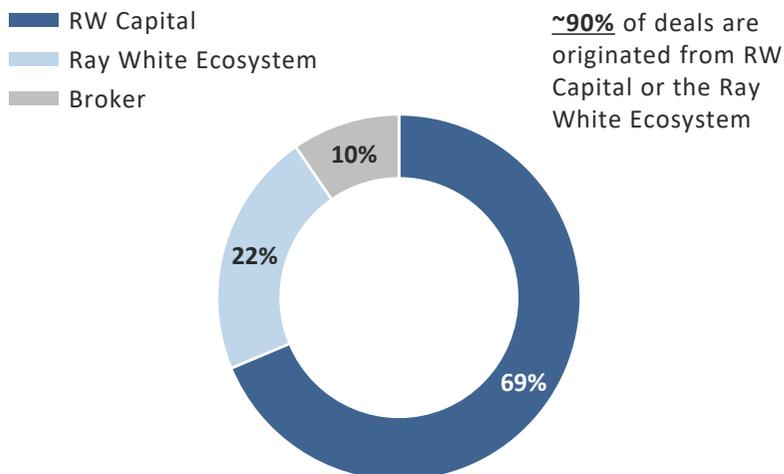
RWC Transaction Volume Split¹



RW Capital is part of the Ray White Group Ecosystem

- ✓ **>1,000 offices throughout Australia, New Zealand, Indonesia and Hong Kong (and representation in the UAE)**
- ✓ **#1 residential sales agency in Australia & New Zealand**
- ✓ **#1 hotel / pub agency in Australia & New Zealand**
- ✓ **#1 largest independent mortgage aggregator in Australia**
- ✓ **>\$228 billion in transactions annually**
- ✓ **>10,000 employees globally**

RWC Origination Pathway Split²



Current Deal Pipeline (as at March 2024)³



Notes: (1) Based on transaction volume for all historical debt transactions.
 (2) Based on total transaction value for all historical debt transactions.
 (3) See detailed deal pipeline in appendix.

RW Capital Team, Integrated with Ray White Businesses

Significant experience across all real estate sectors, throughout the capital structure and over multiple economic cycles. There is combined resourcing across debt and equity capabilities, integrated with Ray White

CEO	Investment Committee				
 <p>George Ajaka Managing Partner and CEO 18+ years of property and finance experience with RW Capital</p>	 <p>Dan White Managing Director – Ray White, Founder RW Capital 25+ years property experience 4th gen White Family</p>	 <p>Stephen Girdis Senior Advisor 35+ years property experience ex-Head Macquarie RE</p>	 <p>James Hodgkinson OAM Senior Advisor 30+ years property experience ex-Co-Head of Macquarie RE Investment Management</p>	 <p>Sean Walsh Senior Advisor 25+ years investment banking experience ex-Co-Head of Financing at Goldman Sachs</p>	 <p>Andrew Jamson White Family Office CFO 40+ years finance experience incl. 25 years as White Family Office CFO</p>
Investment Team		Asset Management Team		Capital Partnerships Team	
 <p>Ben Kirby Originations Lead 15+ years of property experience ex-CBRE and Colliers</p>	 <p>Matthew Falk Vice President 8+ years investment experience ex-McKinsey and Goldman Sachs</p>	 <p>Steven Bougoukas Partner and Chief Operating Officer 20+ years of property experience ex-ANZ division head of property finance</p>	 <p>Daniel Millar Director 13+ years property experience ex-NAB property finance</p>	 <p>David Mao Partner 12+ years property and investment experience ex-Greystone and Macquarie</p>	 <p>Annabelle Maitland AUS and NZ 8+ years IR and investment experience ex-Adamantem and Harris Williams</p>
<p>2024 New Hire</p> <p>New Hire Senior Associate 5+ years investment banking experience</p>	 <p>Kevin Bhatt Senior Associate 5+ years property and investment banking experience, ex-Citigroup</p>	<p>2024 New Hire</p> <p>New Hire Director 10+ years property and legal experience</p>	 <p>Dominic Wild Senior Analyst 5+ years property experience ex-KinKera and Fiducia</p>	<p>2024 New Hire</p> <p>New Hire AUS and NZ 10+ years investment and property experience</p>	 <p>Matthew Budden International 18+ years investments and legal experience ex-Deputy General Counsel of JP Morgan Hong Kong</p>
Finance / Operations Team			Ray White Economics and Research		
 <p>Joseph Kinshela Group Financial Controller 25+ years of accounting experience, ex-EY</p>	 <p>Mohamed (Rob) Aunalla Finance and Fund Portfolio Manager 8+ years finance experience ex-Coller Capital (London)</p>	 <p>Melissa Dieckmann Finance Manager 10+ years accounting experience ex-QIC and Tatts Group</p>	 <p>Nerida Conisbee Chief Economist 20+ years property experience ex-Deputy Chair of the Construction Forecasting Council</p>	 <p>Vanessa Rader Head of Research 20+ years property research experience ex-JLL, CBRE, LandMark White and Knight Frank</p>	
 <p>Efren Lorenzo Senior Financial Accountant 5+ years accounting experience ex-Nexia Australia</p>	 <p>Kirsty Bartter Operations Manager 5+ years property experience ex-Rakuten</p>	<p>2024 New Hire</p> <p>New Hire Management Accountant 5+ years accounting experience</p>	 <p>Matt Gay CTO 15+ years IT and data analytics experience</p>	 <p>Adrian Gimenez Data Scientist 10+ years IT and data analytics experience</p>	

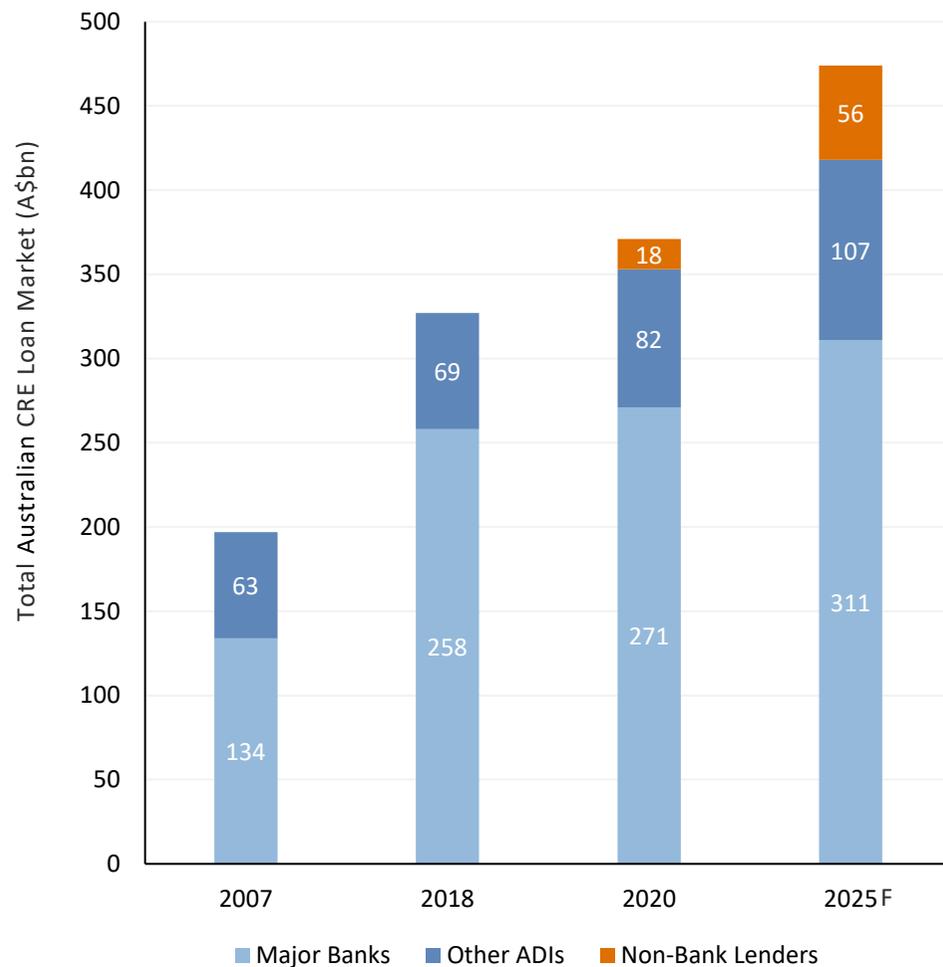
Real Estate Private Credit in Australia



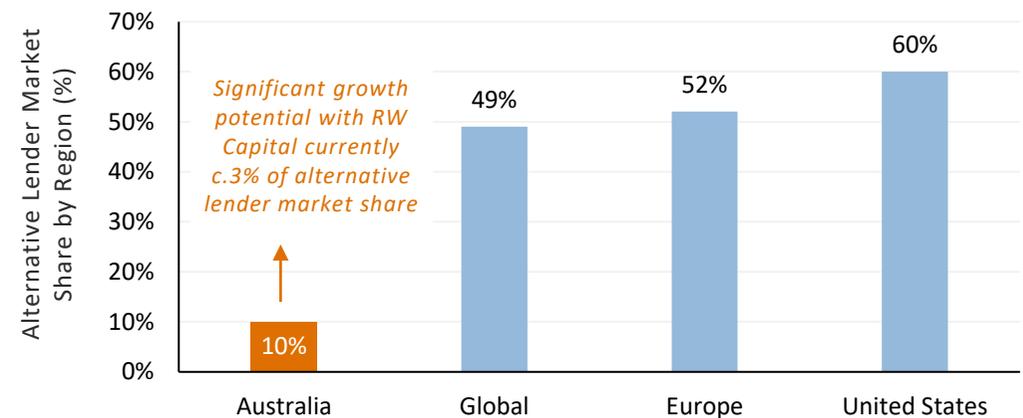
Why Real Estate Private Credit in Australia

The alternative lender market in Australia has been growing but is still relatively small compared to other markets. The introduction of Basel III will increase the capital / funding gap

Australian CRE Loan Market is Growing and Alternative Lenders are Experiencing Rapid Growth...

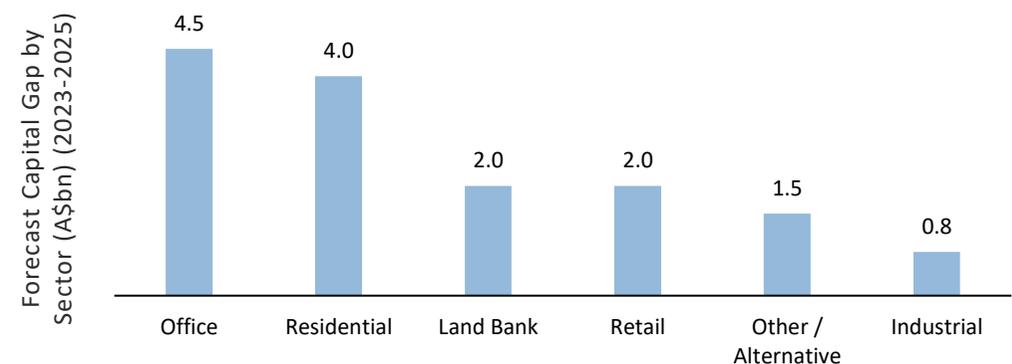


...but there is Significant Future Growth Potential as Australia's Alternative Lender Market Share Converges with Europe / US



Significant Capital Gap in All RE Sectors across 2023-2025

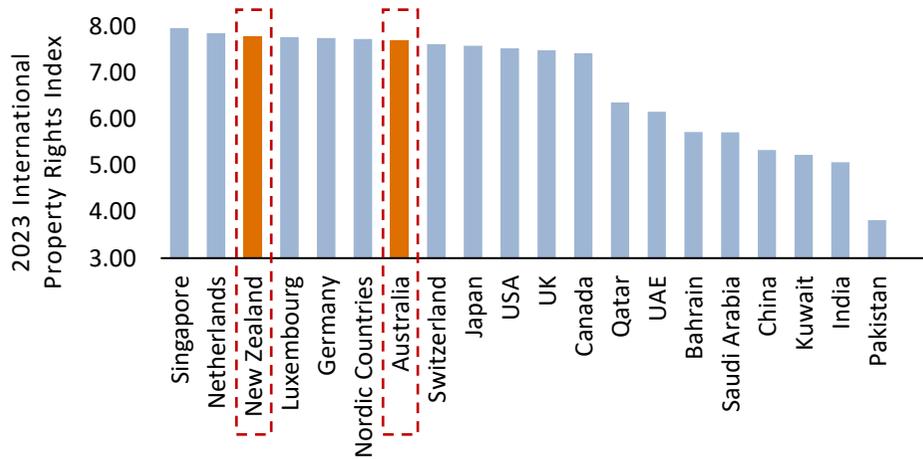
Alternative Lenders likely to gain access to 'bank-standard' debt transactions, including land bank facilities, construction facilities, office assets, mixed-use residential precincts and properties with near-term lease expiries



Australia & New Zealand Market Overview

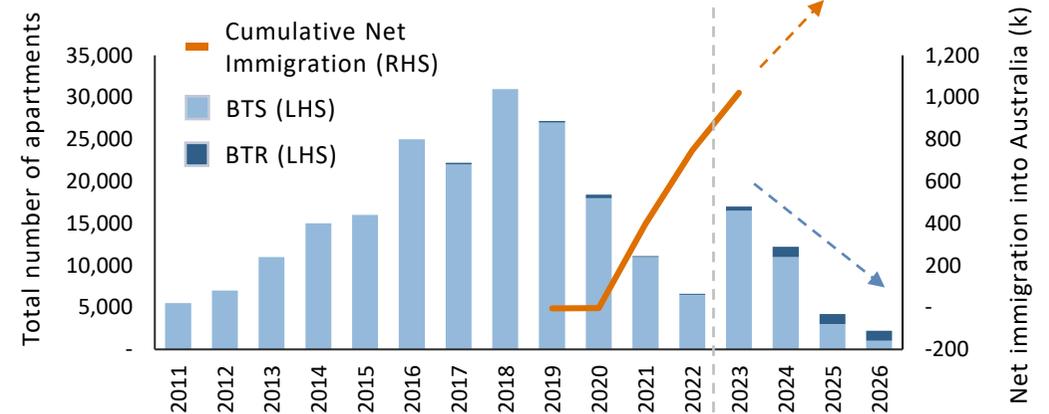
Australia & New Zealand are attractive destinations for real estate credit investment due to a stable economy, strong lender rights, material net migration, tax benefits and low default rates

Australia & NZ have the Best-In-Class Property Rights



A Supply / Demand Imbalance Has Emerged in the Medium-Term

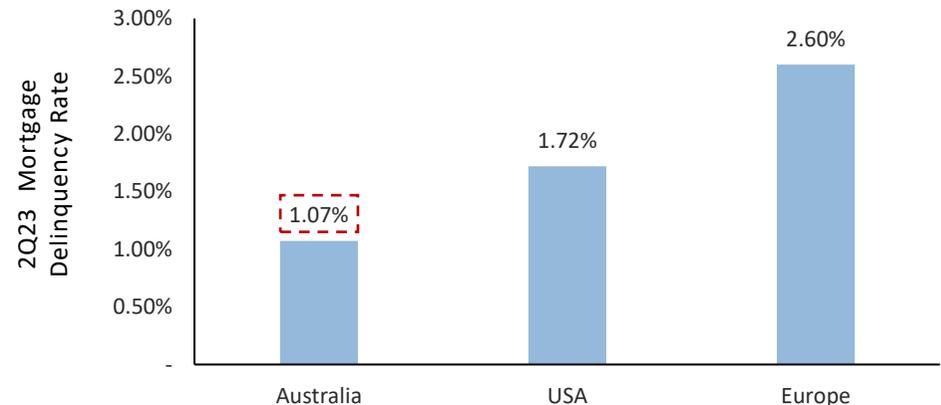
Net immigration and softer supply will exacerbate the already tight vacancy rates (which are at historical lows)



Australia is Highly Tax Efficient Destination for Private Credit Investment due to the Section 128F Withholding Tax Exemption

- ✓ RECF II Investors will not be subject to any Withholding Tax (WHT)
- ✓ WHT of 10% typically payable by a foreign lender – be **reduced to Nil** with the S128F Exemption
- ✓ RWC typically structures each investment to be **eligible for the S128F exemption** (which involves legal structuring of the loan as a ‘loan note’ and a ‘public offer’ test)

Australia has Historically Low Mortgage Delinquency and Default Rates Relative to Other Regions



Commercial Real Estate (CRE) Lending Market in Australia

The \$436bn¹ Australian CRE lending market is broadly defined as **direct lending related to commercial real estate in Australia** (incl. core investment loans, land financing, construction financing, bridge loans and residual stock loans). The definition excludes financing related to detached residential homes but includes multi-family apartment developments

Banks (90% Market Share)

Alternative Lenders (10% Market Share)

	Large Domestic & Offshore Banks	RW Capital	Domestic Non-Bank Lenders	Offshore Credit Funds	Distressed / Hedge Funds
Target LVR ²	<50%	55-75%	55-65%	55-75%	Flexible
Trgt Return	6-8% p.a.	12-20%+ p.a.	8-10% p.a.	8-15%+ p.a.	15-20%+ p.a.
Ticket Size	\$10m-1bn+	\$10-500m+	Up to \$1bn	\$10m-1bn+	\$10m-1bn+
Focus	First mortgage / senior loans for core assets	Flexible capital with bespoke structuring	First mortgage and mezzanine loans	First mortgage and mezzanine loans	Distressed / special situations deals

RW Capital's Key Competitive Advantages

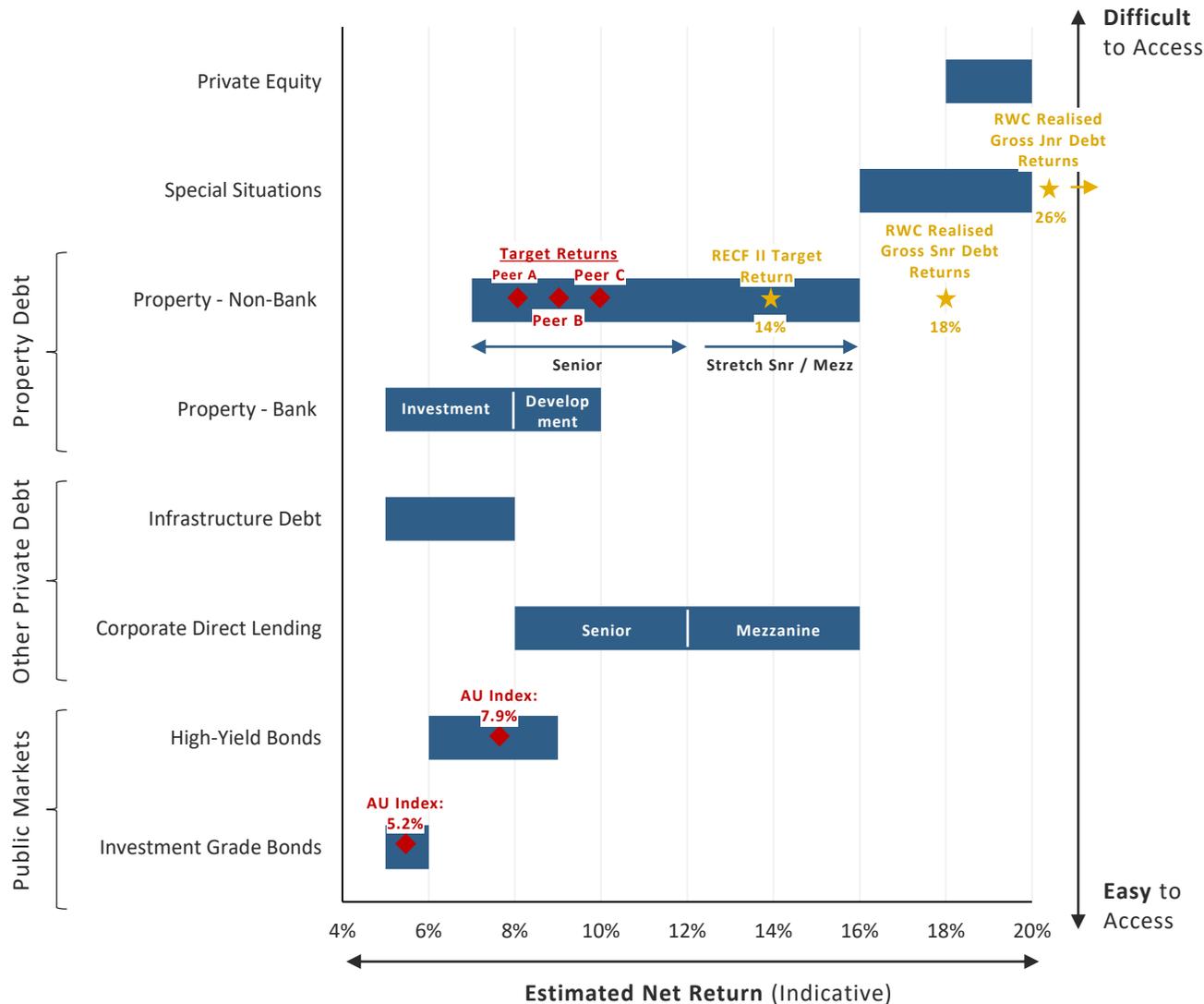
- ✓ **High level of financial, legal and commercial sophistication** relative to peers with key team members having complimentary skillsets gained from blue-chip real estate investment managers, global investment banks, large commercial banks and top-tier law firms which **enables us to structure bespoke capital solutions**
- ✓ **Focused on deep-dive due diligence rather than “paper” valuations.** Our financial due diligence focuses on **fundamental credit underwriting** (i.e. reverse feasibilities, sensitivity analysis and breakeven analysis) in addition to property, market, legal and commercial due diligence
- ✓ **Execution speed and certainty** underpinned by our flexible investment processes and organizational structure, allowing us to capitalise on **opportunistic deals**
- ✓ **Dedicated asset management team** focused on managing existing investments
- ✓ **Alignment with investors** as the White Family, RWC's investment committee and employees target a material co-investment (>5%) for each investment
- ✓ **The White Family Group ecosystem** gives RWC **access to deal flow, proprietary relationships, real-time data** and in-house sales, leasing and valuations capabilities

Source: RW Capital, Goldman Sachs Research.
 Notes: (1) Estimated market size as at December 2021.
 (2) Loan to Value Ratio (LVR)

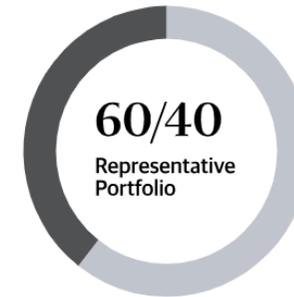
Australian Private Credit Considerations

As we enter an era of higher interest rates, equity returns are expected to moderate, accompanied by higher volatility. Private credit presents an attractive opportunity to enhance returns, reduce volatility and improve yield

RWC's View of the Australian Private Debt Spectrum¹

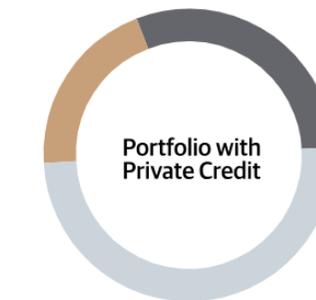


Allocation Considerations²



Annualized Return	4.7%
Annualized Volatility	12.6%
Current Yield	2.9%

Fixed Income 40% Equity 60%



Annualized Return	6.1%
Annualized Volatility	11.6%
Current Yield	4.4%

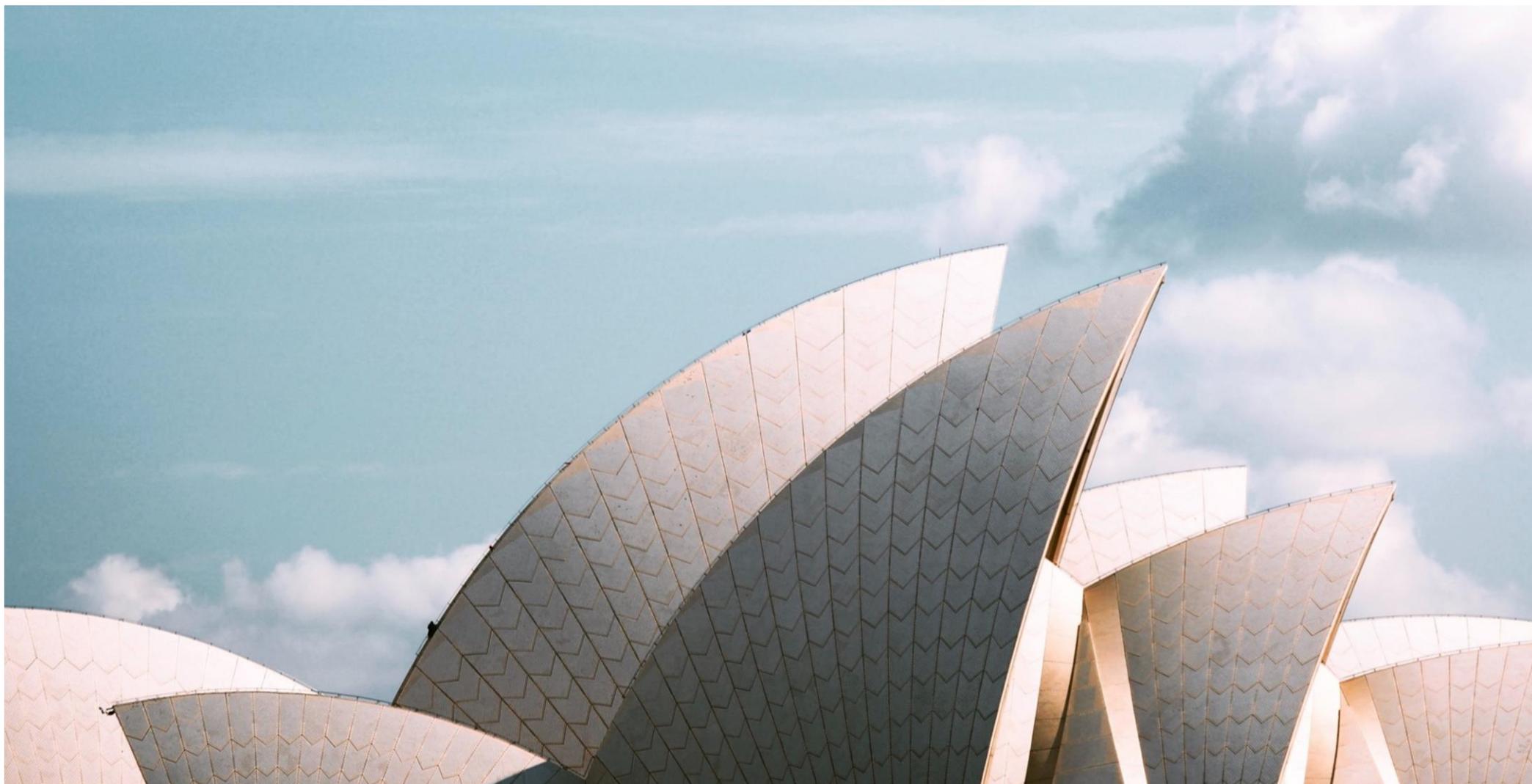
Equity 55% Private Credit 20% Fixed Income 25%

Source: RWC, Blackstone Research.

Notes: (1) Peer target returns shown are net of all fees and costs.

(2) 60/40 portfolio is 60% allocated to the MSCI ACWI and 40% is allocated to the Bloomberg Global Aggregate Bond Index. Private Credit is represented by the Cliffwater Direct Lending Index. Annualized returns and volatility are calculated based on the quarterly returns over the period from April 2008 to March 2023.

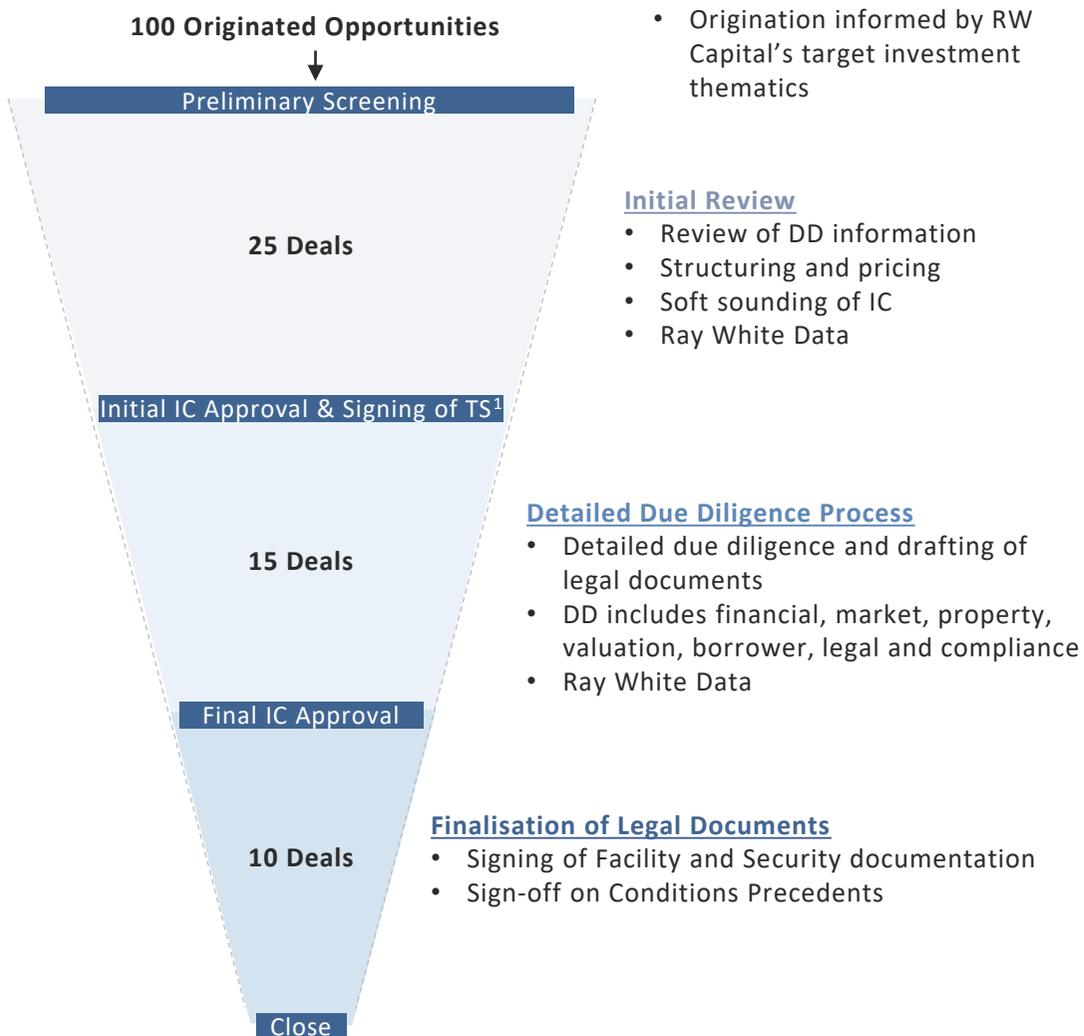
Investment & Underwriting Process



Deal Filtering and Underwriting Process

RW Capital has a highly selective filtering and due diligence process which involves multiple touch-points with the IC

Indicative Deal Filtering Process



Detailed Due Diligence Checklist (Non-Exhaustive)

Category	Area	Checklist Items
Commercial	Financial	<ul style="list-style-type: none"> • Debt model / feasibility / returns analysis • Review of historical income and financial statements • Consultant feedback • Exit / repayment strategy • Model review
	Market	<ul style="list-style-type: none"> • Local demographics • Competitor mapping analysis • Exit / sale analysis • Ray White data • Ray White agent feedback
Property	Property	<ul style="list-style-type: none"> • Licensing • Council approvals • Physical inspections • Easements, right of way, title encumbrances, etc. • Other property-specific dd
	Valuation	<ul style="list-style-type: none"> • Valuation • Sensitivity analysis
Procedural	Borrower	<ul style="list-style-type: none"> • Borrower A&L • Other projects / assets across group (contagion risk) • RW agent feedback • Management capability and structure
	Legal	<ul style="list-style-type: none"> • Borrower corporate structure • Finance and security documents • Review of leases • Legal opinion • Statutory searches and legal due diligence report
	Compliance	<ul style="list-style-type: none"> • Borrower KYC / AML • Fund mandate • Verification

Ray White Proprietary Data

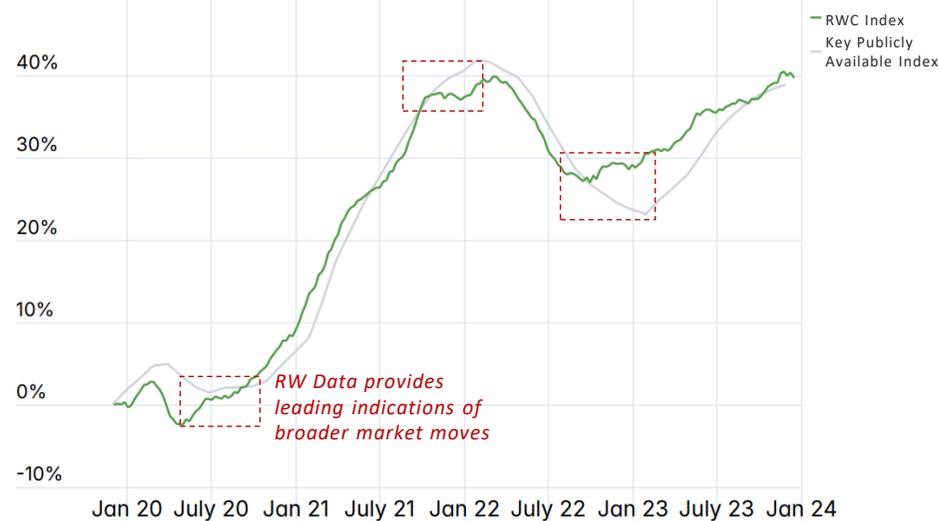
The ability to make investment decisions from real-time proprietary data provides a comparative advantage in the ability to identify attractive risk-adjustment opportunities and for ongoing loan management

Proprietary Data

Proprietary Data available only to the Ray White Ecosystem includes:

- Market Indices 1
- Auctions Scheduled
- Auctions Conducted
- Response Rate
- Active & Registered Bidders
- Auctions with No Active Bidding
- Sales over Reserve
- Passed In and Reserve Difference
- # of Live Listing on Market
- Auction Day Clearance Rates 2
- All Sold Clearance Rates
- Loan Pre-Approvals Data

1 Market Indices: Ray White Proprietary Sydney House Price Index (Dec-19 to Dec-23)



- ✓ Proprietary Price Index relying on RW internal sales data
- ✓ RWC Index has shown to historically be a leading indicator for key publicly available market index which relies on settlement data (which is typically delayed by ~1-3 months)

2 Clearance Rates: Auction Day vs. All Sold Rate (Auctions on 4-Dec-23)

Typically Reported on by Media

68.4%

Auction Day Clearance Rate
(Defined as % of Properties Sold at Auction, on Auction Day)

Only Available to Ray White Ecosystem

76.7%

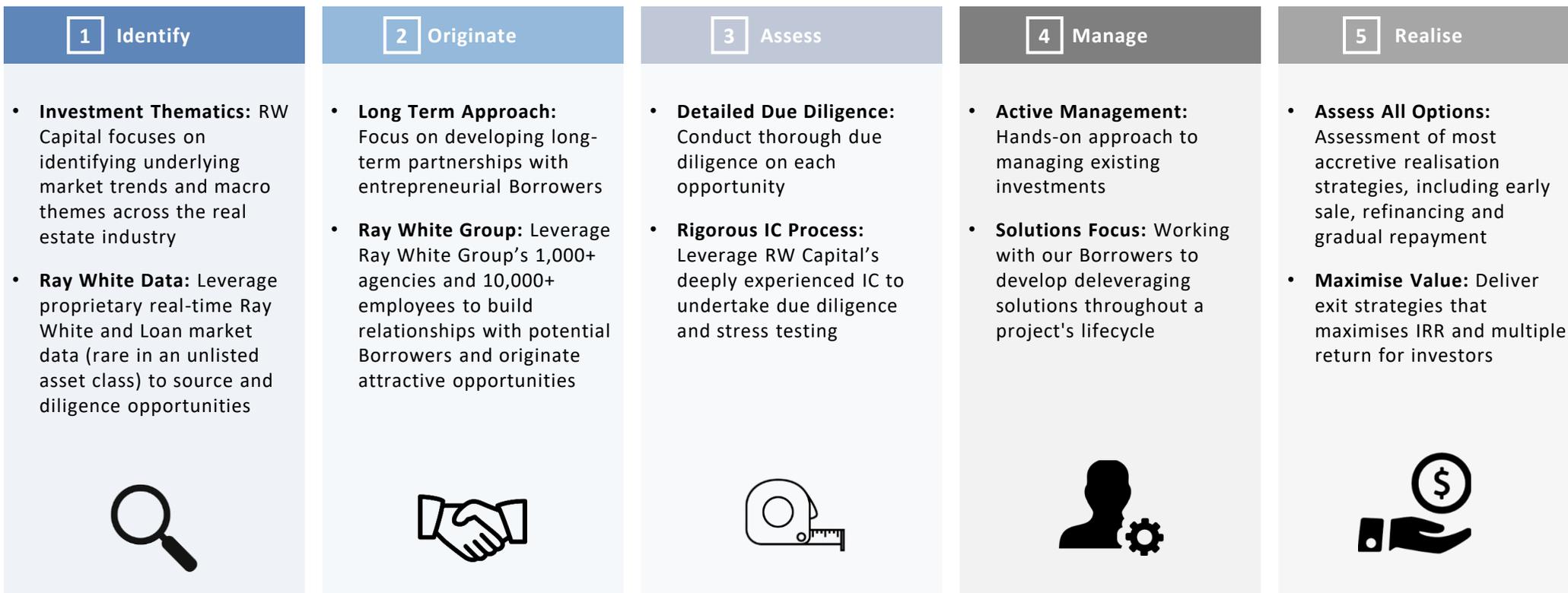
All Sold Clearance Rate
(% of the same cohort of Properties Sold on Auction Day or within 6-weeks)

- ✓ All Sold Clearance Rate provides a deeper understanding of the market as it captures properties transacted after auction day
- ✓ A higher all-sold clearance rate is indicative of a stronger underlying market even if properties do not transact at auction, on auction day

Approach to Investments

RW Capital takes a structured approach to its investment process, which is designed to manage risk and deliver strong returns

Integrated IC Process



Structured approach to investment allows RW Capital to deliver attractive risk-adjusted returns through market cycles

Appendix



Current Deal Pipeline

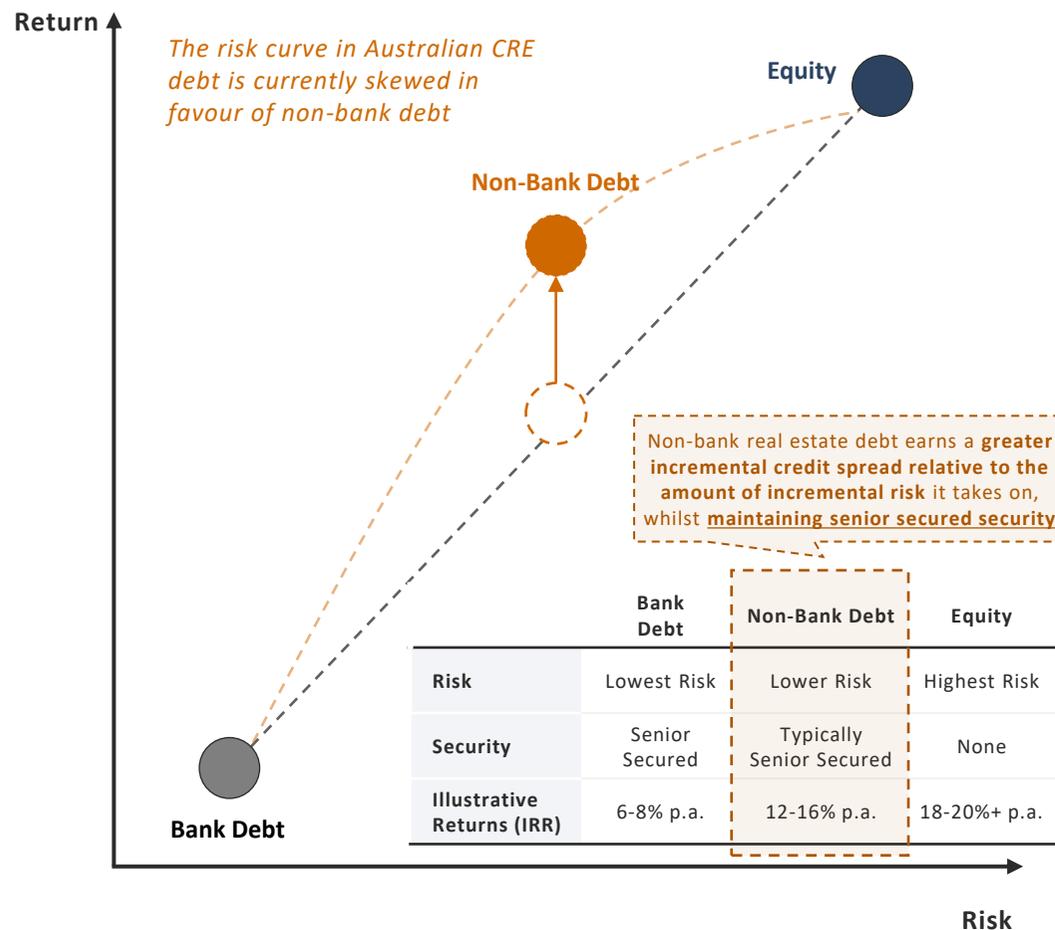
RW Capital has a substantial near to medium-term pipeline for RECF II

Location	Description	Type	Asset Class	Indicative Size	Indicative LVR	Indicative Gross IRR	Status
North West Sydney	Refinancing and funding of cost-to-complete for a distressed residential land subdivision	Senior Secured	Residential	\$121 million	80%	35%+	Advanced Stage Due Diligence
Auckland, New Zealand	Refinancing of existing construction lender and funding of cost to complete for an apartment development	Senior Secured (Construction)	Residential	\$42 million	75%	21%	Advanced Stage Due Diligence
South Sydney	Acquisition financing for a large industrial land parcel in South Sydney	Senior Secured	Industrial	\$34 million	55%	15%	Advanced Stage Due Diligence
North Sydney	Acquisition financing to buy out a shareholder of an office / rezoning site	Senior Secured	Office / Residential	\$140 million	70%	15%+	Advanced Stage Due Diligence
Lower North Shore, Sydney	Construction financing for a high-end residential aged care development in Sydney's lower north shore	Senior Secured (Construction)	Aged Care	\$87 million	70%	20%+	Term Sheet Signed / Early-Stage DD
Sydney and Melbourne	Portfolio refinancing and funding cost-to-complete of developer's residential projects	Senior Secured	Residential	\$70 million	65%	20%+	Term Sheet Signed / Early-Stage DD
North West Sydney	Assignment of debt secured by a major development site adjacent to metro train line	Senior Secured	Residential Land	\$180 million	75%	20%+	Negotiating with Borrower
North Shore, Sydney	Land financing for harbour front development site (12 luxury apartments)	Senior Secured	Residential Land	\$50 million	70%	18%+	Negotiating with Borrower
Brighton, Melbourne	Residual stock loan against newly completed luxury townhouses	Senior Secured	Residual Stock	\$15 million	70%	18%	Negotiating with Borrower
Newcastle, NSW	Land and construction financing for co-living development located next to light-rail transport	Senior Secured	Co-Living	\$22 million	65%	15%	Negotiating with Borrower
Box Hill, Sydney	Acquisition financing for residential land subdivision	Senior Secured	Residential Land	\$80 million	70%	18%	Negotiating with Borrower
Total				\$841 million	72%	21%+	

How Do Private Credit Managers Achieve Their Returns?

Non-bank lenders earn an attractive risk-adjusted return in the Australian CRE market. This is driven by a number of factors including competition, capital flows and the value-add provided by non-bank lenders

Illustrative Risk / Return Profile



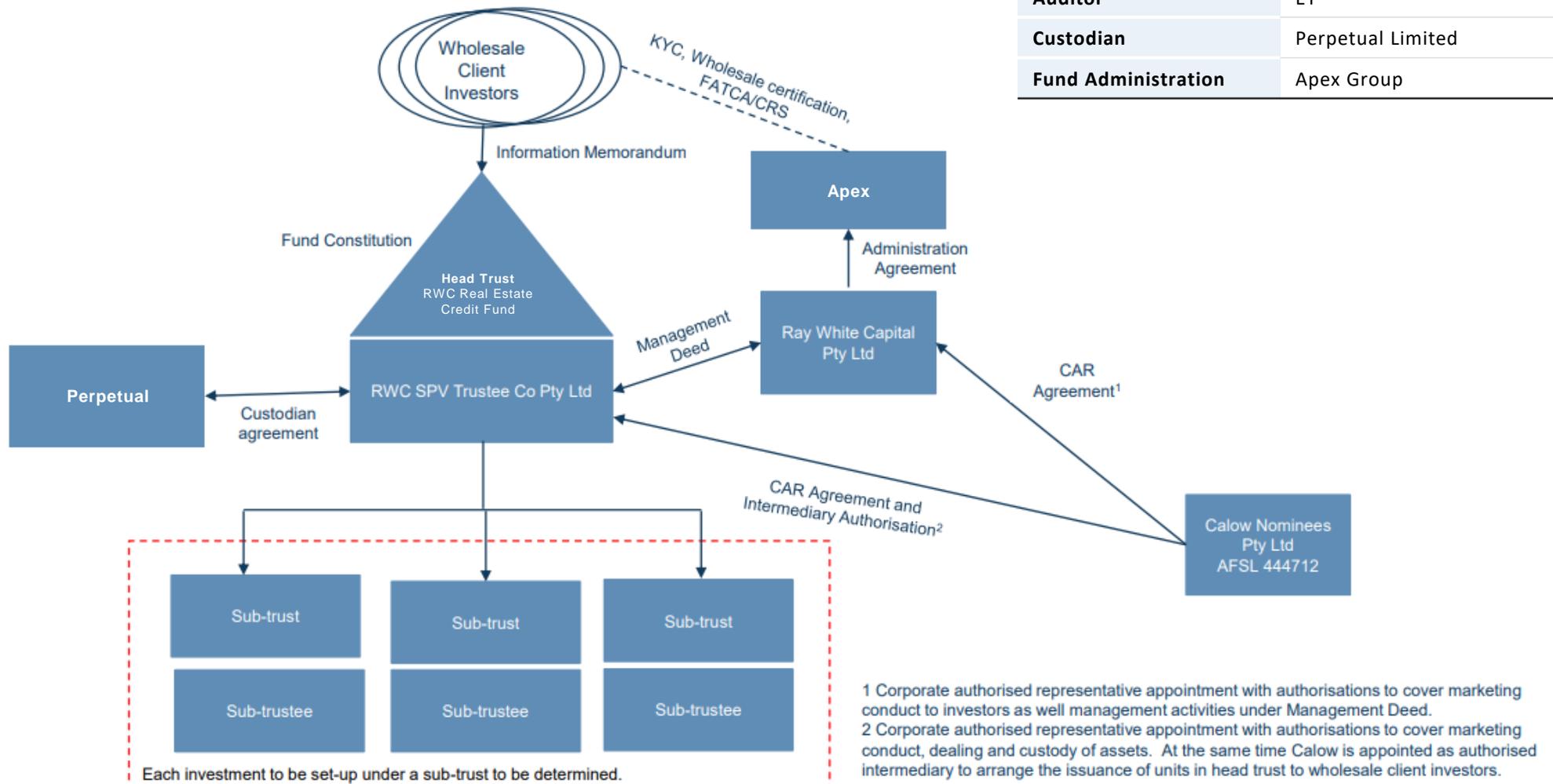
The pricing of non-bank debt has been driven by a number of factors, including:

- 1 Australia's non-bank lending market only emerged in 2020 and whilst it has grown rapidly since, there is still limited capital in the non-bank sector (relative to the capital base for equity and bank debt). As a result, there is limited competition in the sector, allowing a high level of negotiating leverage in pricing
- 2 Borrowers value increased flexibility, and bespoke structuring which can only be provided by sophisticated non-bank lenders (versus banks who have tightened lending criteria as a result of strict regulatory requirements)
- 3 In the event of issues in relation to the asset (e.g. project delays, cost blowouts etc.), some non-bank lenders (including RW Capital) take a 'partnership approach', working with the Borrower to find a mutually beneficial solution rather than looking to accelerate
- 4 Borrowers place a premium on the value-add that non-bank lenders provide from a relationship / network, creative structuring or due diligence perspective. For example, a Borrower may gain greater comfort in relation to an acquisition if a non-bank lender is willing to underwrite acquisition financing after concluding due diligence
- 5 Non-bank lenders can provide greater speed and certainty of execution relative to banks

RECF II Fund Structure Diagram & Advisors

RECF II External Advisors

Legal	Corrs Chambers Westgarth
Auditor	EY
Custodian	Perpetual Limited
Fund Administration	Apex Group



Current Debt Portfolio

	Project Name	Sector	Entered	Deal Size (A\$m)	LVR Covenant (%)	Tenor (mth)	Target Gross IRR p.a. (%)
Senior	Rose Bay	Residential	2022	22	78%	15	11%
	Baulkham Hills	Hotel/Pub	2023	30	65%	12	14%
	Moorebank Industrial	Industrial	2023	26	62%	24	13%
	Hospitality Portfolio Loan	Hotel/Pub	2023	83	70%	24	14%
	Kembla Homes	Residential	2023	62	70%	12	30%
	Total				224	69%	18
Convert. Senior	Greenwich Aged Care	Aged Care	2021	14	80%	28	15%
	Total			14	80%	28	15%
Junior	Clydesdale P3 Mezzanine Trust	Residential	2021	15	87%	18	15%
	Sydney Junior Debt Fund	Mixed Use	2021	16	75%	26	13%
	Pub Group Loan II	Hotel/Pub	2022	18	78%	48	14%
	Queensland Junior Debt	Retail	2022	11	68%	12	14%
	The Rocks Mezzanine	Residential	2024	7	75%	12	19%
	SW Sydney Preferred Equity	Residential	2023	10	NA	30	26%
	Total				77	77%	27
Total				315	71%	21	17%

Case Studies – Bridge Asset Finance to Stabilisation

	Western Sydney Portfolio Refinance	Oxley Ridge	Hospitality Portfolio Loan
Debt Type	Senior Secured (First Mortgage)	Senior Secured (First Mortgage)	Senior Secured (First Mortgage)
Property	Industrial and Residential Masterplan Estate	Residential Masterplan Estate	Hospitality
Location	Badgerys Creek & Cobbitty, Sydney	Cobbitty, Sydney	South-West Sydney
Loan Size	\$827 million	\$100 million	\$82 million
Gross IRR	14% p.a.	18% p.a.	Target: 14% p.a.
Gross MOIC	1.25x	1.38x	Target: 1.26x
Peak LVR	80%	67%	Target: 70%
Term	21 Months	27 Months	Target: 24 Months
Investment Thesis	<ul style="list-style-type: none"> Badgerys Creek is strategic land located opposite the new West. Sydney Airport Cobbitty is a residential development site that is set to benefit from an increased housing demand for homes as a result of the infrastructure projects in Western Sydney Both assets have multiple exit strategies from refinancing to sale, partial sale and fund throughs 	<ul style="list-style-type: none"> Demand for new housing in Sydney’s South West corridor driven by infrastructure investment (new Western Sydney airport, business park, rail and roads) Price growth underpinned by lack of supply Facility had conversion feature which facilitated paydowns and the step up of returns as part of debt becomes second mortgages behind a construction bank once 100% presales cover is achieved 	<ul style="list-style-type: none"> Borrower is a highly experienced hospitality operator, who has previously been a business partner for RWC on a number of previous equity investments Diversified portfolio of pubs Proceeds partially used to refurbish existing assets and development of new greenfield assets, providing value uplift during the loan term
RW Capital Differentiation	<ul style="list-style-type: none"> The deal was highly complex due to its size and multi-faceted planning approvals RWC invested the resources to conduct thorough planning due diligence and led the formation of the lending syndicate 	<ul style="list-style-type: none"> RWC’s creative structuring ability differentiated it from other financiers, which allowed for the conversion of the debt (from senior to junior) in stages as the project progressed 	<ul style="list-style-type: none"> RW Capital allowed for the Borrower to extend leverage and release equity to fund capex on several of the security assets (with a deleveraging and exit upon completion of the asset improvements)
Site Photos	<p>Birds Eye View of the Badgerys Creek site</p>	<p>CGI of Oxley Ridge Shopping Centre</p>	<p>Exterior view of Portfolio Asset</p>

Case Studies – Solutions Finance

	Kembla Homes	Mews Regearing Facility	The Duke
Debt Type	Senior Secured (First Mortgage)	Mezzanine	Senior Secured (First Mortgage)
Property	Residential	Masterplan Estate	Mixed Use, Residential & Retail
Location	Northwest Sydney and Southwest Melbourne	Cobbitty, Sydney	Kangaroo Point, Brisbane
Loan Size	\$62 million	\$66 million	\$34 million
Gross IRR	Target: 30% p.a.	26% p.a.	23% p.a.
Gross MOIC	Target: 1.16x	1.06x	1.10x
Peak LVR	Target: 70%	78%	65%
Term	Target: 12 Months	3 Months	8 Months
Investment Thesis	<ul style="list-style-type: none"> Diversified portfolio of properties Expected to benefit from a ~60% principal paydown within 4-5 months of the loan term After undertaking due diligence, RWC gained sufficient comfort on the full repayment pathway through a mixture of settlements and/or asset sales 	<ul style="list-style-type: none"> The Mews property was contracted for sale to an Australian Stock Exchange (ASX) listed real estate company After undertaking due diligence, the lending syndicate was comfortable extending the leverage (through a tranche B) with the expectation that it will be repaid from settlement (occurred 24 December 2021) 	<ul style="list-style-type: none"> Property is in an inner-city location, with an abundance of amenities The project had >70% presales coverage and construction was at level 2 out of 7 at origination – reducing the cost to complete amount and breakeven price
RW Capital Differentiation	<ul style="list-style-type: none"> RWC was able to structure around a complex security package which involved assets at various stages of the lifecycle (incl. pre-DA approval, assets under construction and nearly-completed assets) RWC was also able to move quickly and help alleviate the Borrower's distressed position 	<ul style="list-style-type: none"> RWC provided a working capital equity release for the Borrower (an existing relationship) after conducting thorough due diligence Despite a complex lending syndicate, RWC was able to execute the financing within a tight timeframe 	<ul style="list-style-type: none"> RWC utilised its propriety data to understand underlying trends behind Brisbane's supply/demand dynamic, which had previously caused a large bank to withdraw its financing for the asset RWC conducted thorough due diligence on an under-construction asset
Site Photos	 <p>Near-complete Townhouse – Security Asset</p>	 <p>Aerial view of The Mews Property</p>	 <p>Exterior view of The Duke apartments</p>

Case Studies – Special Situations

	RW Capital Opportunity 4	RW Capital Opportunity 6
Debt Type	N/A	Senior Secured (First Mortgage)
Property	Industrial Land	Mixed-Use Development Site
Location	Badgerys Creek, Sydney	Zetland, Sydney
Loan Size	\$22 million	\$48 million
Gross IRR	80% p.a.	299% p.a.
Gross MOIC	1.16x	1.14x
Peak LVR	N/A	N/A
Term	7 Months	1 Month
Investment Thesis	<ul style="list-style-type: none"> An opportunity presented itself to provide lowly-geared financing secured against the deposit of an exchanged Sale & Purchase Agreement (SPA) RWC conducted thorough due diligence in relation to the SPA and gained comfort given the high quality of the asset (large strategic land holding located directly opposite the new Western Sydney Airport) The fallback option in case of default was to have the SPA novated to RWC, where we would settle on the asset (at an implied c.35% discount to the Purchase Price) and proceed to a sale process 	<ul style="list-style-type: none"> An opportunity presented itself for urgent refinancing The Facility was secured by a mixed-use development site in inner-Sydney with a conditionally exchanged contract in place Existing first mortgage lender on the subject site was lowly geared (c.50% LVR) however unprepared to provide increased funding The Facility provided an attractive return given 6-month term with a gross interest rate of 26% p.a. and a minimum earn of 6 months (noting RWC expected repayment from settlement proceeds within 3 months) RWC’s due diligence indicated the sale price was in line with the market value, and the site would appeal to other interested buyers
RW Capital Differentiation	<ul style="list-style-type: none"> RWC provided a structured asset-backed loan, secured by a sale contract (with no other competitors able to offer such a structure) RWC conducted thorough legal and asset due diligence (incl. utilising RW proprietary data), which enabled it to formulate an alternative exit strategy 	<ul style="list-style-type: none"> RWC was able to utilise the White Family Group network and leverage proprietary relationships with the local Zetland Ray White sales agents to receive insights on the buyer pool and sale process RWC also utilised its live-data feed to gain further comfort around the market value of the site
Site Photos	 <p>Birds Eye View of the Badgerys Creek site</p>	 <p>CGI of Mixed-Use Development</p>

Key Risks

There are a number of risk factors that could affect the performance of the Fund. By their very nature, the risks involved with debt investments cannot be exhaustively categorised. These risk factors should be carefully considered, and whilst some of these can be mitigated by appropriate actions, some can not be mitigated.

Item	Details
Investment	<ul style="list-style-type: none"> ■ If RWC's investment process fails to identify, evaluate and/or successfully price investment risk, this could materially impact its ability to achieve appropriate risk adjusted returns in the Fund
Key Person	<ul style="list-style-type: none"> ■ The CRE market is highly relationship-based and also relies on market knowledge of investment professionals
Competitors	<ul style="list-style-type: none"> ■ There is a risk of large global asset managers entering the Australian market in a meaningful way. Their global network of investors, strong brand and significant balance sheet capabilities could impact RWC's ability to deploy capital
Macroeconomic	<ul style="list-style-type: none"> ■ Decline in asset values, increase in construction costs, rising interest rates, deteriorating fundamentals around real estate asset classes impact the values of collateral properties that the Fund will lend against
Inflation and rising rates	<ul style="list-style-type: none"> ■ Inflation and rising rates provide a risk to collateral values that the Fund will lend against
Asset values	<ul style="list-style-type: none"> ■ Property cap rates are likely to rise in a higher interest rate environment. This may increase the LTVs, decrease Borrower's implied equity values and erode the value of personal guarantees in a mark to market test
Liquidity	<ul style="list-style-type: none"> ■ An investment in the Fund is illiquid. Therefore, Investors will not have a right to redeem their Units and thereby withdraw their investment other than in a Liquidity Event. There is no established secondary market in which to sell your Units
Documentation	<ul style="list-style-type: none"> ■ Loan Facility documentation do not capture all the lender's rights, which the lender needs to exercise its rights to protect investors' commitments
s128f Income Tax Assessment Act 1936 (Cth)	<ul style="list-style-type: none"> ■ If the investors in the fund are offshore, withholding tax of 10% will be payable by the Borrower to the Australian Tax Office ("ATO") on any interest payments paid. The fund will pursue investments that comply with s128f Income Tax Assessment Act 1936 (Cth) ("s128f") which provides relief from the withholding tax obligation if its criteria are met. The key criteria to be satisfied is that offers to participate in loan facilities are made to more than 10 persons. The risk for the lenders is that the ATO forms the view that the s128f criteria have not been met. If this happened, the Borrower would be liable to make the 10% withholding payment to the ATO. Facilities will have gross up obligations on the Borrower. This means that, even if withholding tax is payable by the Borrower on an interest payment, the Borrower will be obliged to gross up its interest payment to the offshore loan note holder so that the loan note holder receives 100% of the interest payment that it was entitled to. If, however, the Borrower does not agree to accept this gross up risk, then, in the circumstance where the Borrower is required to make a withholding tax payment, and the gross up risk is with the loan note holder, the loan note holder will only receive 90% of its interest payment
Force Majeure	<ul style="list-style-type: none"> ■ Force majeure events such as fire, storms, etc. may have an adverse impact on the property value and increase the risk of recovering the loan principal
Repayment	<ul style="list-style-type: none"> ■ The security for loan investments is illiquid. This would impact the timeframe in which the Facility's principal, interest and any default interest can be realised from a sale of the Security if the Borrower fails to pay his interest and principal obligations and an event of default occurs. The Facility's principal, interest and any default interest may also not be fully recoverable

Investment in the Fund is suitable only for experienced investors with an awareness of the risk factors set out above. You should discuss the risks and the suitability of such an investment to your needs with your financial adviser as applicable.

DISCLAIMER

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A DOWNTURN IN THE REAL ESTATE INDUSTRY COULD MATERIALLY ADVERSELY AFFECT THE PERFORMANCE OF A TRANSACTION WHICH IS HIGHLY DEPENDENT ON THE PERFORMANCE OF THE AUSTRALIAN ECONOMY AND ITS REAL ESTATE INDUSTRY. THE VALUE OF A TRANSACTION WILL BE AFFECTED BY FACTORS GENERALLY AFFECTING THE VALUE OF REAL ESTATE AND THE EARNINGS OF COMPANIES ENGAGED IN THE REAL ESTATE INDUSTRY. THESE INCLUDE: (I) CHANGES IN GENERAL ECONOMIC AND MARKET CONDITIONS; (II) RISKS RELATED TO LOCAL ECONOMIC CONDITIONS, OVERBUILDING AND INCREASED COMPETITION; (III) INCREASES IN PROPERTY TAXES AND OPERATING EXPENSES; (IV) CHANGES IN ZONING LAWS; (V) CASUALTY AND CONDEMNATION LOSSES; (VI) VARIATIONS IN RENTAL INCOME, NEIGHBOURHOOD VALUES OR THE APPEAL OF PROPERTY TO TENANTS; (VII) THE AVAILABILITY OF FINANCING; AND (VIII) CHANGES IN INTEREST RATES. THE VALUE OF INVESTMENTS IN THE REAL ESTATE INDUSTRY MAY GO THROUGH CYCLES OF RELATIVE UNDER-PERFORMANCE AND OVER-PERFORMANCE IN COMPARISON TO THE BROADER SECURITIES MARKETS IN GENERAL. THERE IS A RISK THAT PRICES OF CONSTRUCTION MATERIALS OR CONSTRUCTION LABOUR MAY RISE MATERIALLY DURING THE DEVELOPMENT. THE BORROWER MAY FAIL TO CARRY ADEQUATE COMPREHENSIVE LIABILITY, FIRE, FLOOD, EARTHQUAKE COVERAGE OR THE INSURANCE THAT IS IN PLACE MAY BE INSUFFICIENT OR SUBJECT TO VARIOUS POLICY SPECIFICATIONS, LIMITS AND DEDUCTIBLES. THE BORROWER MAY BE LIABLE FOR ENVIRONMENTAL ISSUES, INCLUDING REMOVAL OR REMEDIATION COSTS, GOVERNMENTAL FINES AND LIABILITIES FOR INJURIES TO PERSONS AND PROPERTY, AS WELL AS OTHER COSTS. THE EXISTENCE OF ANY SUCH MATERIAL ENVIRONMENTAL LIABILITY COULD HAVE A MATERIAL ADVERSE EFFECT ON THE BORROWER'S OPERATIONS AND CASH FLOW.

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