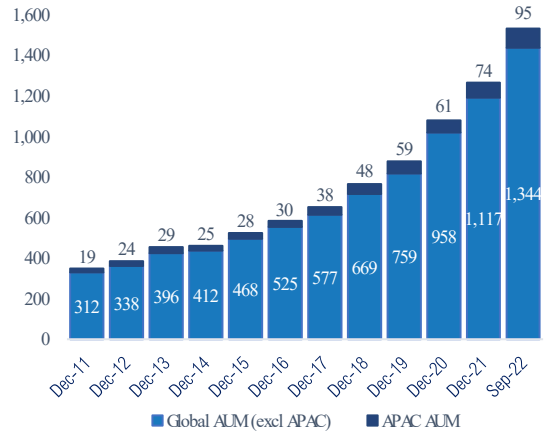


Whilst TCP's core focus is on Australia and New Zealand, we will also invest selectively in developed Asian markets. We take a closer look at why Asia stands out as a key focus region as Private Credit's center of gravity shifts to this area

- Private credit as an asset class has enjoyed explosive growth in recent years with total global assets under management (AUM) reaching over US\$1.4 trillion in 2022. Private Credit AUM in Asia also doubled between 2018 and 2022 to US\$95 billion
- However, it remains a small segment comprising only 7% of the total global private credit market. This severe under-allocation is more pronounced against the region's significant contribution to the world economy, accounting for ~40% of global output
- This is changing as investors begin to turn their focus on the superior economic growth and favourable demographics in Asia. Fundraising in Asia has overtaken that of Europe in the first half of 2022, and several global private credit managers have announced plans to expand in Asia in recent months
- TCP's view is that although Asian Private Credit markets are nascent in their development, they will almost certainly follow the growth path experienced in the US and Europe as discussed below

Global Private Credit AUM Growth (US\$bn)



Source: Preqin Pro

TCP Approach to Asian Private Credit

- Asia is geographically and culturally diverse, comprised of over 40 countries, each at different stages of economic development. This diversity represents a high barrier to entry, and is a competitive advantage for specialized and experienced operators such as TCP
- Our approach is to focus is on developed Asian jurisdictions (Hong Kong, Singapore, Korea, Japan and Taiwan) that enjoy:
 - Robust corporate governance that foster investor confidence and sustainable growth
 - Proven enforcement regimes and rule of law
 - Strong sovereign ratings (A+ to AAA)
- These markets benefit from a highly developed credit infrastructure whilst retaining exposure to the region's economic growth and dynamism through supply chain integration, regional connectivity, technological collaboration and economic partnerships

What is Driving Growth in Asian Private Credit?

- High economic growth and strong demographics drive demand for capital: Asia is the fastest growing economic region in the world contributing over 2/3 of total global growth. Strong growth outlook is supported by favourable demographics (large, young growing populations who are increasingly skilled) and increasing intra-regional trade further integrating economies within the region. There is a corresponding need for significant capital in order to continue to finance the businesses that are driving this growth
- Increasing burden on banks due to regulatory change: Asian banks face higher compliance requirements and increased funding costs in order to adhere to Basel III/IV requirements, making it difficult for many businesses to access bank loans. Private Credit lenders are stepping in to fill this gap, providing capital to businesses that are struggling to access traditional sources of financing
- Large funding gap for Asian middle-market companies: Asian middle-market (small and mid-sized corporates) lending space has been particularly hard hit by its over-reliance on the bank market. Whilst the middle-market companies comprise more than 96% of all Asian businesses, banks have generally turned focus away from this segment as they look to optimise use of scarce regulatory capital and extract efficiencies, pivoting towards larger relationships. This creates opportunities for Private Credit lenders to provide much needed capital for Asian middle-market companies enabling them to continue their strategic objectives and growth

- Borrower demand for creative financing solutions: There is growing appetite for Private Credit financing from Asian borrowers as it provides several advantages over other traditional sources of financing. Private Credit offers more flexible terms and conditions (e.g., principal repayment upon maturity vs. strict amortisation schedule favoured by banks), certainty and speed of execution vs. a traditional bank loan. Borrowers can also reduce equity/control dilution from a Private Credit solution vs. an equity financing

Attraction of Asian Private Credit for Investors

- For investors, an allocation to Asian Private Credit within a diverse, mature investment portfolio offers several benefits:
 - Significant and growing market opportunity given under-penetration of Private Credit in the region
 - Stable, regular cash income product with lower volatility vs. traditional fixed income products
 - Floating rate structure provides a hedge against inflation / high interest rates
 - Attractive risk-adjusted returns with strong downside protection features including senior ranking, security and covenants
 - Geographic diversification and exposure to dynamic growth and demographic tailwinds in Asia

ABOUT TANARRA CREDIT PARTNERS

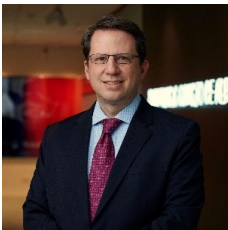
Tanarra Credit Partners (“TCP”) is an Asia-Pacific Private Credit manager with offices in Melbourne, Sydney and Hong Kong. TCP’s senior investment team has 100 years of combined global credit markets experience.

Since inception in 2017, TCP has grown to manage over \$780 million of investor capital and has successfully demonstrated an ability to originate a diversified portfolio of high-quality loans across its broad professional network.

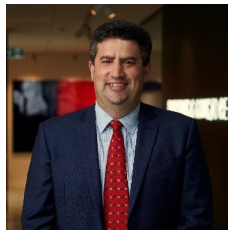
TCP is the credit vertical of Tanarra Group, an alternative investment platform managing in excess of \$3 billion.

Both TCP Asia Pacific Fund II and TCP Private Debt Income Fund (a retail and wholesale PDS investing into TCP Asia Pacific Fund II) are available for commitments. For more information, please contact TCP as provided below.

CONTACTS



Peter Szekely
Managing Partner
Hong Kong
peter.szekely@tanarracp.com
+852 9190 8635



Graham Lees
Managing Director
Sydney
graham.lees@tanarracp.com
+61 423 545 797



Peter Han
Managing Director
Hong Kong
peter.han@tanarracp.com
+852 6109 7032

Equity Trustees Limited (“Equity Trustees”) (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the TCP Private Debt Income Fund (“the Fund”). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

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In making any investment decision in relation to the Fund, each prospective investor should consider whether the investment is suitable to its own individual circumstances, and is urged to consult with its own qualified advisors with respect to the legal, tax, regulatory, financial and accounting consequences of investing in the Fund.

No person guarantees the performance of the Fund, a rate of return from the Fund, or the repayment of capital from the Fund. A purchase of interests in the Fund will involve a high degree of risk due, among other things, to the nature of the Fund’s investments. Any forward-looking statements included in this document may prove to be inaccurate and should not be relied upon as indicative of future matters. There can be no guarantee that targets or objectives set out in this document will be met.

TCP Private Debt Income Fund’s Target Market Determination is available <https://www.eqt.com.au/corporates-and-fund-managers/fund-managers/institutional-funds/institutional-fund-manager?f=77b95b6b-3db3-483b-96b7-6849e803fcc>. A Target Market Determination describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.