

REVOLUTION PRIVATE DEBT PIE FUND (NZD)



For New Zealand wholesale investors only.

New Zealand Wholesale investors now have access to the flagship Australian and New Zealand private debt strategy managed by one of Australia's leading and most experienced firms specialising in private debt.

Introducing the Revolution Private Debt PIE Fund (NZD)

The Revolution Private Debt PIE Fund (NZD) (the 'Fund') provides New Zealand wholesale investors with exposure to Revolution Asset Management's Australian and New Zealand private debt strategy, previously accessible only to Australian investors. Established as a Portfolio Investment Entity ('PIE') Fund, it provides indirect access to a portfolio of senior loans across the private corporate loan, real estate debt and asset back securities markets.

The Fund, through its investment in the Underlying Fund¹ is designed to generate risk-adjusted returns while offering potential diversification benefits with low correlation to traditional public markets, helping to reduce overall portfolio risk and enhancing capital stability.

The Fund targets an annual return of the RBNZ Official Cash Rate ('OCR') plus 4% to 5% p.a. (after fees and before tax) and aims to achieve this return with low volatility and with the benefit of having security over the underlying assets.

Fund Highlights

Access to private debt with "sleep at night credit" quality

The Underlying Fund invests in the most compelling relative value loans within the private debt sector, characterised by "sleep at night" credit quality. The key focus sub-sectors include private company and leveraged buyout debt, public and private asset backed securities, and real estate debt (no construction or development).

Resilient industries with high credit standards

The Underlying Fund avoids industries sensitive to economic cycles and prioritises extensive credit due diligence and robust governance. This focus on defensive loan characteristics minimises portfolio risk during economic downturns, helping to enhance overall stability.

Potential for strong risk-adjusted returns

The Underlying Fund can offer the potential for higher yields and enhancing overall returns. Structural protections help to mitigate default risk, further improving risk-adjusted returns.

Semi-liquid structure

Investors have the flexibility to redeem some or all of their investment at any time via quarterly redemption opportunities, however liquidity is based on the availability of sufficient cash reserves within the Fund.²

Team experience and investor alignment

The Underlying Fund is actively managed by a team of skilled professionals with extensive expertise in the Australian and New Zealand private debt markets. The investment team has a proven track record of successfully navigating market cycles and managing substantial portfolios. Revolution is 100% owned by its staff, providing strong alignment of interests with investors.

¹ The Fund invests into the Revolution Private Debt Fund II (the 'Underlying Fund').

² Investments in the Fund are redeemable on request, subject to the discretion of FundRock NZ Limited (for more information, refer to the Information Memorandum). A redemption request can be made by providing written notice to FundRock NZ Limited. The Fund aims to offer quarterly redemptions, subject to the Fund having sufficient available cash (liquidity). Generally each of 31 March, 30 June, 30 September and 31 December will be a redemption date ('Redemption Date'). Investors should be aware that the Fund may not hold sufficient cash to fund all redemption requests for a particular Redemption Date.

Potential Benefits of investing in the Fund



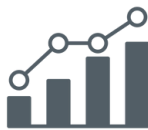
A Defensive Private Debt Allocation

The sub-sectors within the Underlying Fund have demonstrated an ability to withstand multiple market cycles. The investment team prioritises credit discipline, implementing risk management strategies to mitigate potential losses and achieve consistent risk-adjusted returns.



Alignment of interest through portfolio allocations

By passing all upfront fees earned from private deals to the Underlying Fund and subsequently to investors through performance, Revolution demonstrates a strong alignment of interests between the investment team and investors.



Low correlation to traditional assets

Private debt investments tend to have lower correlation with public market movements, such as fluctuations in stock prices. This lower correlation can help further diversify an investment portfolio and reduce overall volatility, thereby enhancing risk-adjusted returns.



Resilience to changing market conditions through a floating rate portfolio

Unlike traditional fixed income, private debt typically provides investors with a floating rate of return relative to the cash rate. This means that interest payments received by the investor will adjust periodically based on changes in the cash rate or another specified benchmark.



Ensuring highest credit quality through strong networks

Significant relationships and origination networks developed in Australia and New Zealand over decades ensures deals are secured across high credit quality market leading businesses, senior commercial real estate debt and asset backed securities.



Diversification

Investing solely in the New Zealand market, particularly in sectors like agriculture and forestry, can expose investors to significant volatility and concentration risk. By combining Australian and New Zealand private debt markets, investors can diversify their portfolios across different sectors and geographies which can help to mitigate risk and potentially improve overall portfolio stability.

Investment Philosophy - Prioritising Capital Preservation

Revolution's core philosophy is centred on capital preservation and delivering long term value to investors through reliable income, which is supported by a disciplined process designed to yield targeted returns with minimal volatility. The investment team is focused on identifying relative value opportunities, to capture illiquidity premia and generate alpha from specialist debt markets.

Revolution's philosophy focuses on the importance of applying a comprehensive ESG policy and PRI principles that directly influence the ability to create and preserve economic, social and environment value into every investment decision. For loans to private companies, we closely monitor and encourage portfolio companies to adopt sound ESG practices that aim to improve the governance and sustainability of their business, ultimately leading to better performance outcomes.

Fund Facts

Fund Name	Revolution Private Debt PIE Fund (NZD)												
Fund Structure	The Scheme is a managed investment scheme established under a Trust Deed. The Scheme offers one fund, being the Revolution Private Debt PIE Fund (NZD) which invests into the Revolution Private Debt Fund II.												
Investment Strategy	Provides exposure to the Australian and New Zealand Leveraged Loan (private company debt and Leveraged Buyout debt), Commercial Real Estate loan and Asset Backed Securities (ABS) markets through investment in the Revolution Private Debt Fund II ('Underlying Fund').												
Investment Objective	The Fund targets an annual return of the RBNZ Official Cash Rate (OCR) plus 4% to 5% p.a. (after fees and before tax).												
Minimum Investment Amount	NZ\$100,000 with further increments of NZ\$25,000.												
Independent Trustee	Public Trust												
Manager	FundRock NZ Limited												
Investment Manager	Revolution Asset Management Pty Ltd ACN 623 140 607 AFSL 507353.												
Fund Target Asset Allocation	Underlying Fund units: 95% Cash and cash equivalents: 5%												
Target Allocation Ranges of the Underlying Fund	<table border="1"> <thead> <tr> <th></th> <th>Target allocation range</th> </tr> </thead> <tbody> <tr> <td>Leveraged loans</td> <td>20% - 80%</td> </tr> <tr> <td>Asset backed securities</td> <td>20% - 80%</td> </tr> <tr> <td>Commercial real estate loans</td> <td>0% - 60%</td> </tr> <tr> <td>Cash</td> <td>0% - 30%</td> </tr> <tr> <td>Bonds</td> <td>0% - 30%</td> </tr> </tbody> </table>		Target allocation range	Leveraged loans	20% - 80%	Asset backed securities	20% - 80%	Commercial real estate loans	0% - 60%	Cash	0% - 30%	Bonds	0% - 30%
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Annual Fund Charges	<p>Annual Fund charges (estimated including GST) 0.95%:</p> <ul style="list-style-type: none"> Fixed annual Fund charges: 0.92% p.a. (exclusive of GST) of the net asset value of the Fund. GST (estimated) 0.03% p.a. <p>Please refer to section 5 of the Fund Information Memorandum dated 2 February 2024 for more information for more on fees and costs.</p>												
Applications	Monthly												
Redemptions	Generally quarterly. Refer to the Information Memorandum for more information.												
Distributions	Quarterly												
Unit Pricing	Monthly												
Valuation frequency	Fund Assets (other than cash and units in the Underlying Fund) will be valued by an independent valuer quarterly.												

Potential Risks of Investing in the Fund

There are several specific risks associated with investing in the Fund, including but not limited to:

- Liquidity risk
- Distribution risk
- Interest rate and currency risk
- Contract risk
- Market risk
- Regulatory risk
- Leverage risk
- Counterparty risk

Please see section 4 “What are the risks of investing?” in the Information Memorandum dated 2 February 2024 for more information.

Dedication to New Zealand private debt markets

Embracing the New Zealand private debt markets has been a cornerstone of our strategy. Since 2018, we have proactively engaged in these markets.

In our approach to lending within New Zealand’s private debt sector, we prioritise the following:

- Supporting high quality businesses: Our focus lies on supporting businesses that demonstrate high quality in terms of market share, stability in demand, and strong stable cash flows. This emphasis ensures that our investments are positioned to weather market fluctuations and sustain long-term growth.
- Asset backed securities: Investing in asset backed securities provides an additional layer of security, as these securities are backed by tangible assets. This approach helps to reduce credit risk and enhances the overall risk-adjusted returns for our investors. We partner with consumer finance lenders that adhere to conservative lending policies to help mitigate the risk of default and enhances the credit quality of our portfolio.

About Revolution Asset Management

Established in 2018, Revolution Asset Management’s committed capital exceeds A\$2.7 billion (as at 31 March 2024) across our flagship private debt strategy sourced from a blend of institutional, family office, and wholesale investors.

With extensive experience in managing private debt across various market cycles, including challenging periods such as the recent pandemic, Revolution continues to be committed to providing successful outcomes to investors through defensive private credit strategies.

For a copy of the Information Memorandum, contact Channel Capital:

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This factsheet is for New Zealand wholesale investors only and has been prepared by Channel Capital Pty Ltd ACN 162 591 568 (‘Channel’). FundRock NZ Limited is the issuer of units in the Revolution Private Debt PIE Fund (NZD) (the ‘Fund’). Public Trust is the independent trustee of the Scheme of the Fund. Revolution Asset Management Pty Ltd ACN 623 140 607 AFSL 507353 (‘Revolution’) is the appointed Investment Manager for the Fund. Refer to <https://www.fundrock.com/fundrock-new-zealand/> for more information. The Fund is intended for the exclusive use of wholesale investors, as defined by the Financial Markets Conduct Act 2013.

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