

Altor AltFi Income Fund Performance <i>(includes capital and income)</i>	Quarter	1 Year	3 Year (p.a.)	5 Year (p.a.)	Since Inception ¹ (p.a.)
Altor AltFi Income Fund (Net)	2.29%	15.65%	11.14%	12.01%	11.76%
Benchmark (RBA Cash Rate + 6%)	2.57%	10.84%	8.80%	7.91%	7.88%
Outperformance	-0.28%	4.81%	2.34%	4.10%	3.88%

Manager Update

Altor Credit Partners Pty Ltd, the manager (“**Manager**”) of the Altor AltFi Income Fund (“**the Fund**”) is pleased to report that the Fund delivered a return of **2.29%** (after fees) for the June 2024 quarter.

During the final quarter of the financial year the Investment Team focused on diligencing and executing a new facility with Synertec, negotiating acquisition terms for two potential acquisitions for portfolio company EII Group, and coordinating another Fund exit.

The Manager is pleased to be partnering with listed engineering consultancy and technology company, Synertec Corporation (ASX:SOP). The business is commercialising an innovative micro-grid solution (more details on the facility are provided on the following page).

Portfolio company EII Group is continuing its strategic expansion with the execution of a term sheet for another acquisition and is in discussions with another potential target.

The Fund also successfully exited another portfolio investment, Hypha Limited during the quarter. The initial investment in Hypha occurred in the December 2022 quarter with a staged \$7.5 million facility, starting with a \$2 million upfront investment. Hypha is a telecommunications company which provides critical technology for public safety organisations. The investment was to help fund the acquisition of critical inventory. A slower ramp up of contract wins resulted in the company’s requirement to draw additional amounts under the facility being reduced.

Ultimately, the company secured a major telecommunications contract win with NSW Fire and Rescue which resulted in attracting a larger funding package from NAB, the proceeds of which were used to refinance the Fund’s facility.

The Investment Team is pleased to have successfully completed this exit having supported the growth of the borrower as well as earning investors an annualised return of 17% on the facility. This excludes any potential upside from the detached options the Fund continues to hold in Hypha.

Altor Capital thanks all investors for their continued support and look forward continuing to provide a stable income source and additional returns through attaching equity instruments.

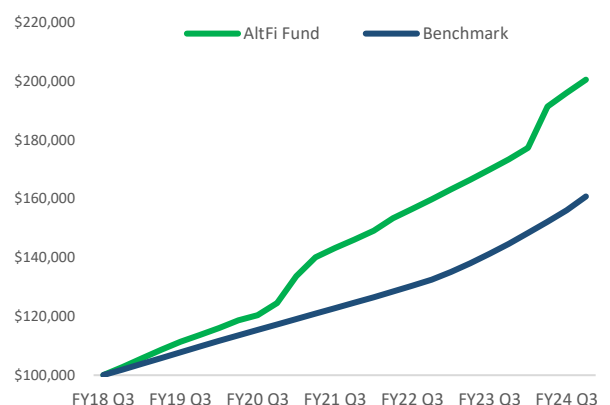
Summary

- The Fund offers a return-maximising fixed income strategy with a target distribution rate of 10% p.a. after fees through-the-cycle
- June quarterly return of **2.29%** (after fees).
- Unit Price as at 30 June 2024: **\$1.0858**
- Since inception, the AltFi Fund has delivered investors with a **11.76% p.a.** return net of fees.
- The portfolio is well positioned having positions in industries which offer defensive characteristics.

Fund Overview

Fund Manager	Altor Credit Partners Pty Ltd
Issuer	Altor Capital Management Pty Ltd ATF Altor AltFi Income Fund
Investors	Restricted to wholesale, professional and sophisticated investors
Style and Risk Profile	Return-maximising fixed income strategy through private credit investments.
Fees	1.5% mgt. fee with 10% performance fee over benchmark (subject to HWM). Nil entry fee; 2% withdrawal fee if redeemed in the first 24 months.
Benchmark	RBA Cash Rate + 6%
Minimum Investment	\$100,000; \$10,000 increments thereafter
Research	Fund Monitors - Commended
Platforms	Macq Wrap, BT Panorama, Netwealth, HUB24, Powerwrap/Praemium, AMM

Growth of \$100,000 Since Inception^{1, 2, 3}



(1) 1 April 2018; (2) Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. (3) Past performance is not an indicator of future performance.

Portfolio Investment: Synertec Corporation (ASX:SOP)

\$15m Senior Secured Facility

Synertec is an engineering-enabled consulting and technology company for global markets in energy and critical infrastructure. The company is commercialising a scalable, 100% renewable power supply through its Powerhouse technology. Powerhouse is a smart micro-grid system made up of a solar panel array, battery storage unit and sophisticated smart controls to provide remote power.



The company has engineering contracts with a number of major global companies delivering into industries including advanced manufacturing, energy, water, rail and resources. The Powerhouse business unit is in discussions/tendering for a number of contracts for their innovative renewable energy solution. Field trials with Santos confirmed Powerhouse's ability to replace fossil-fuel powered generators used to operate dewatering wells for coal seam gas. The technology presents an exciting opportunity as a reliable, renewable energy solution for multiple applications - e.g. energy grid stabilisation, mining, oil & gas, defense, remote communities, agriculture etc.

Investment Thesis

- Long dated contracted recurring revenue with large blue-chip clients
- Profitable consulting business which has helped fund the development of the micro-grid technology and provides a stable fallback security position
- Advanced predictive capability allows customers to make proactive decisions on load management
- Highly capable board and management team with extensive experience across engineering, technology development and commercialization.

Synertec Facility High Level Terms

Facility Size	Up to \$15m (2 tranches)
Interest Rate	9.0% p.a. + 3M BBSY (3% floor) 1.0% facility fee
Security	Senior secured, first ranking
Term	4 years
Equity	Unlisted warrants at 17% coverage

Portfolio Company Opportunity: EII Group Acquisition

\$5m Senior Secured Acquisition Financing

EII Group (EIIIG) is an integrated environmental, infrastructure, and industrial services business established late 2023 as a special purpose vehicle (SPV) to acquire SureSearch. SureSearch, a turnkey infrastructure services provider, offers non-destructive digging, utility locating, mapping, and asset protection services. The acquisition and integration of SureSearch has been successful, and the Investment Team has identified and executed a term sheet for a second promising acquisition opportunity and are also in discussions with another potential acquisition target.

The prospective business specialises in industrial services, subsurface utility engineering, civil infrastructure investigation, and waste management. It serves clients in the construction, mining, municipal road, and aviation industries across Australia.

While SureSearch operates in New South Wales, this new business is based in Queensland, expanding EIIIG's national footprint. Significant synergies are anticipated from this acquisition, leveraging shared services and the strong management team at EIIIG.

Acquisition Facility High Level Terms

Facility Size	Up to \$5.5m
Interest Rate	13.0% p.a.; 1.0% facility fee
Purpose	Acquisition funding & working capital
Security	Senior secured
Term & Repayment	4 years, bullet repayment at maturity
Attaching Equity	Equity ownership
Board rights	Directorship in business

AltFi Application Link

New Investors can apply for Units in the Fund by clicking the following link: [Altior AltFi Income Fund Application Page](#)

Existing Investors can apply for additional Units by contacting Altior [Client Services](#)

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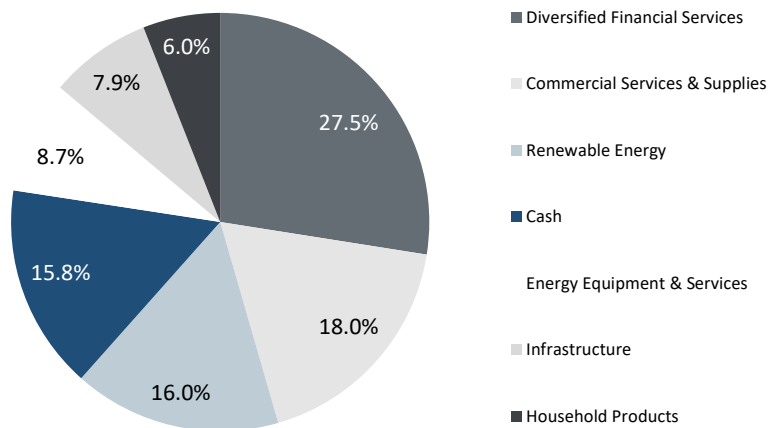


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Portfolio Characteristics

The Fund continues to have preferred exposure in infrastructure, financial services, and energy transition sectors as the Manager expects these to perform strongly over the next few years. Investment structures into these opportunities continue to follow the Altor philosophy of protecting downside. The Fund's cash weighting is due to the proceeds from Hypha received late June and earmarked funds for Synertec's facility.

Portfolio by Industry¹



Portfolio Metrics¹

Number of borrowers	9
Average borrower balance	\$5.8m
Weighted average interest rate	11.7%
Average effective interest rate	12.0%
Weighted duration of portfolio	1.68 years

1. As at 30 June 2024

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