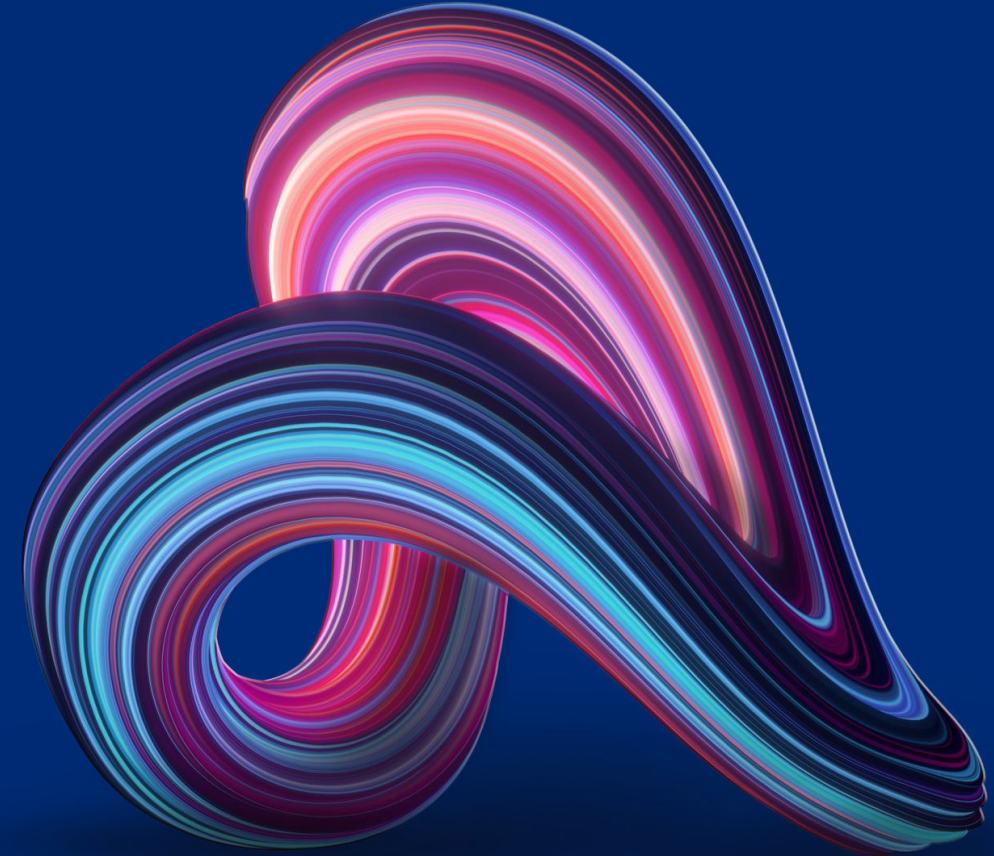


# Auréus

# Private Debt

**December 2023**

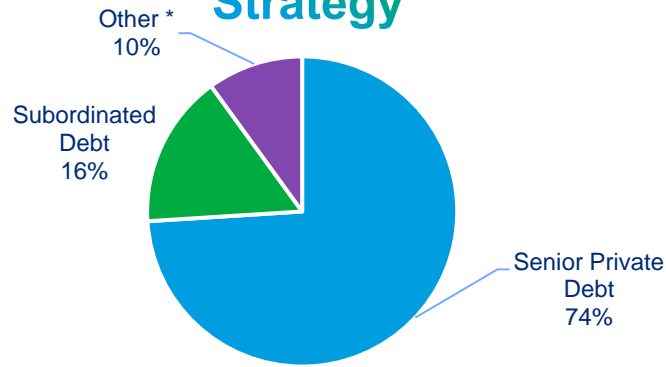
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# Auréus Private Debt Portfolio (Euro-focused)

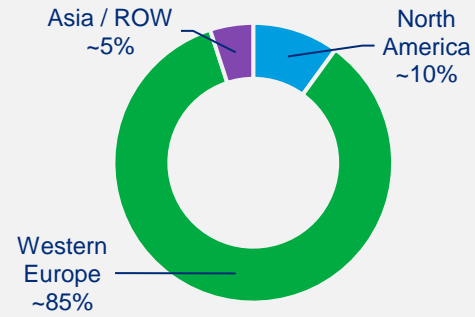
## Key characteristics

### Strategy

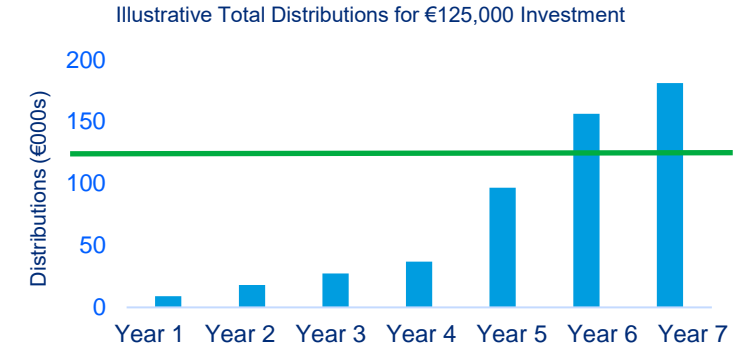


- Other includes strategies such as structured credit and speciality finance strategies
  - Senior PD and Subordinated both fall within Direct Lending category

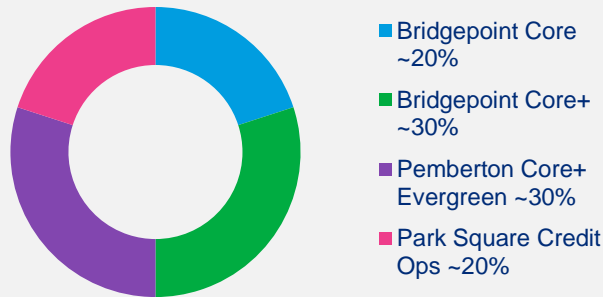
### Region



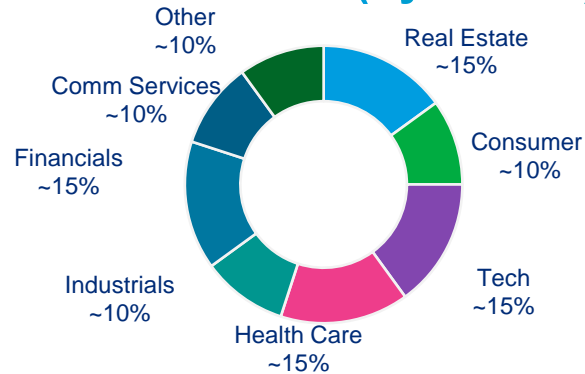
### Cashflows



### Managers



### Diversification (by sector)



### Net IRR







**Return Target cash+ 5.5% – 7.5% with diversification of 130 portfolio companies**

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# Auréus Private Debt Portfolio (Euro-focused)

Building a diversified Private Debt portfolio with a blend of 4 strategies

Target Return: Cash + 5.5 – 7.5% p.a.

	%	Return Target	Region focus	Senior / Unitranche	Levered Senior/ Unitranche	Second Lien / Subordinated	Structured Credit	Secondary transactions	Opportunistic Credit	Use of Leverage
Bridgepoint Core Credit SPD Strategy	20%	6-8% net		✓						No leverage
Bridgepoint Core+ Credit PD Strategy	30%	10-12% net			✓	✓	✓	✓	✓	Up to 1.25:1
Pemberton Core+ PD Strategy	30%	10-12% net			✓	✓	✓	✓	✓	Up to 1:1
Park Square Capital Credit Opportunities	20%	6-8% net		✓		✓		✓		No leverage

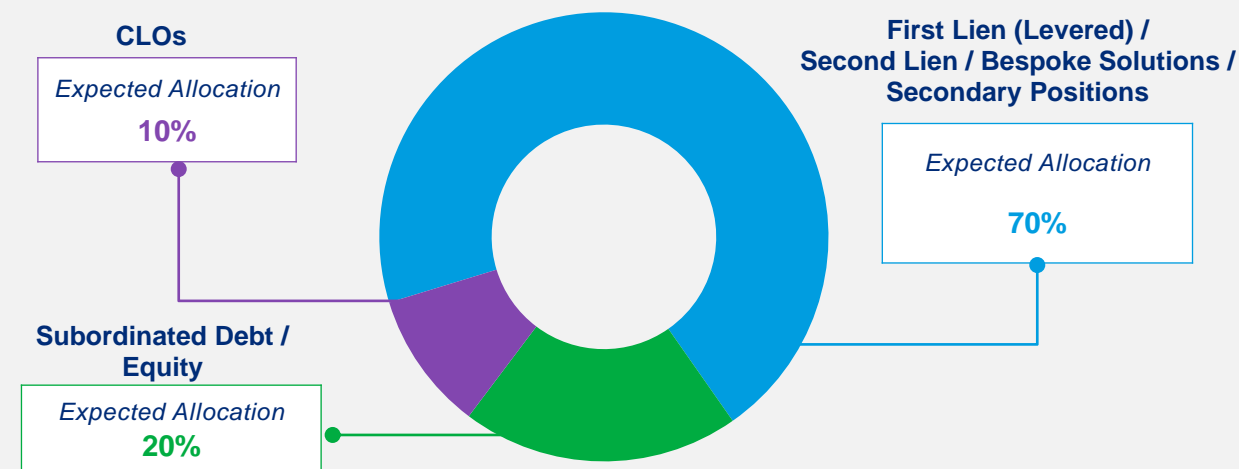
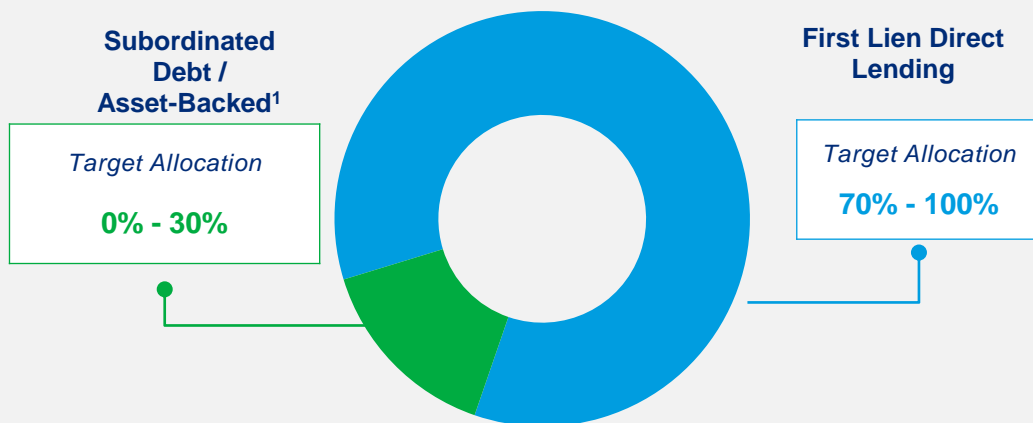
There is no guarantee that target returns will be met.

# Bridgepoint Core Investment Strategy

# Bridgepoint Core+ Investment Strategy

**Target Return: ~6 - 8% net IRR**  
**Cash yield: ~5% (minimum)**

**Target Return: ~10 - 12% net IRR**  
**Cash yield: ~6% (minimum)**



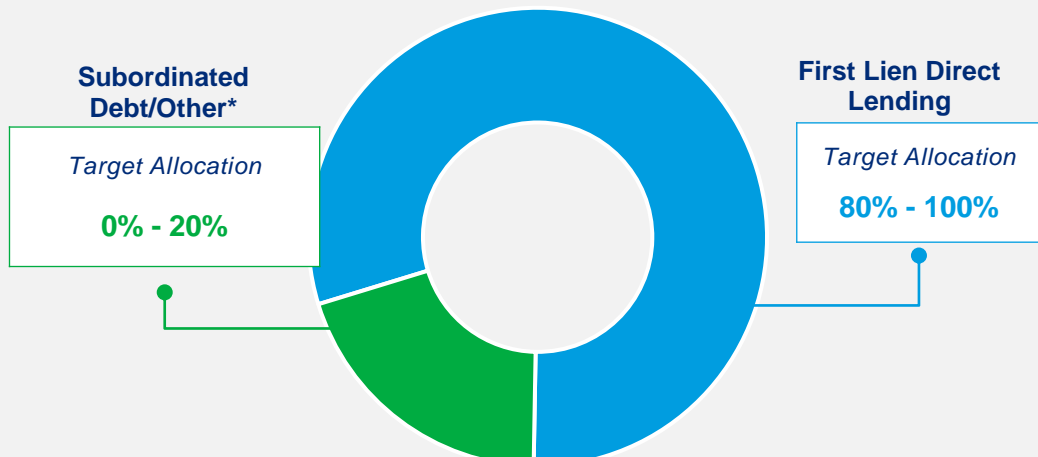
- European Sponsored Middle Market Debt
- EBITDA €10m to €75m
- Focus on market leading / mission critical companies
- Key sectors: Healthcare, Services, Technology, Advanced industrials
- 30-40 loans of €100m-150m each

- Invest across the capital structure to capture best risk/reward proposition
- In addition to middle market direct lending, the fund will leverage the wider Bridgepoint platform to invest in bespoke primary transactions, discounted secondaries and balance sheet transformations (excl. debt-for-equity swaps).
- Geographic focus on Europe, and to a lesser extent North America (<20%)
- Focus on market leading / mission critical companies
- Key sectors: Healthcare, Services, Technology, Manufacturing & Industrials
- 40+ loans of €30m-100m each

<sup>1</sup> Asset-backed has a maximum concentration limit of 20% and includes CLO Debt. Figures and information provided by Bridgepoint Group.

# Pemberton Core+ Strategy

Target Return: ~10 - 12% net IRR  
Cash yield: ~7% (minimum)



- European Multi-Strategy Middle Market Direct Lending
- EBITDA €15m to €75m
- Focus on being sole/lead lender
- Key sectors: TMT, Business Services, Healthcare
- 30-40 loans of €15-100m each

# Park Square Capital Credit Opportunities

Target Return: ~6 - 8% net IRR  
Cash yield: ~5% (minimum)



- European Senior Debt of larger sponsored companies with EBITDA of more than €200m
- Focus on stable, market-leading companies with strong management
- Key sectors: Defensive Sectors such as Healthcare and Services
- 50+ loans, maximum investment size of 10%

# Private Debt Strategy breakdown

## Characteristics of the private debt universe

Strategy Type	Description	Return Profile	Loan Type	Historical Returns	Forward Looking Estimates	Allocation in Aureus Euro Focus
<b>Direct Lending</b>	<ul style="list-style-type: none"> <li>Lending directly to companies, generally secured against assets and earnings</li> </ul>	<ul style="list-style-type: none"> <li>Income</li> </ul>	<ul style="list-style-type: none"> <li>Floating rate</li> </ul>	<ul style="list-style-type: none"> <li>~5%–8% senior, ~8.5%–12% junior debt or levered debt funds</li> </ul>	<ul style="list-style-type: none"> <li>~6%–9% senior, ~9.5%–13% junior debt or levered debt funds</li> </ul>	<ul style="list-style-type: none"> <li>90%</li> </ul>
<b>Structured Credit</b>	<ul style="list-style-type: none"> <li>Consists of loans dependent on performance of asset pools</li> </ul>	<ul style="list-style-type: none"> <li>Income</li> </ul>	<ul style="list-style-type: none"> <li>Floating rate</li> </ul>	<ul style="list-style-type: none"> <li>10%+ as compensation for complexity</li> </ul>	<ul style="list-style-type: none"> <li>11%+ as compensation for complexity</li> </ul>	<ul style="list-style-type: none"> <li>5%</li> </ul>
<b>Speciality Finance</b>	<ul style="list-style-type: none"> <li>Includes niche lending that requires specialized knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Income</li> </ul>	<ul style="list-style-type: none"> <li>Floating rate</li> </ul>	<ul style="list-style-type: none"> <li>10%+ as compensation for complexity</li> </ul>	<ul style="list-style-type: none"> <li>11%+ as compensation for complexity</li> </ul>	<ul style="list-style-type: none"> <li>5%</li> </ul>
<b>Asset-based Lending</b>	<ul style="list-style-type: none"> <li>Broadly includes real assets such as real estate and infrastructure debt</li> </ul>	<ul style="list-style-type: none"> <li>Income</li> </ul>	<ul style="list-style-type: none"> <li>Floating, and, to a lesser extent, fixed rate</li> </ul>	<ul style="list-style-type: none"> <li>2%–4% senior; 5%–9% whole loan and junior debt</li> </ul>	<ul style="list-style-type: none"> <li>3%–5% senior; 6%–10% whole loan and junior debt</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>
<b>Credit Opportunities</b>	<ul style="list-style-type: none"> <li>Potential benefit from dislocations in the credit or equity markets</li> </ul>	<ul style="list-style-type: none"> <li>Income and capital appreciation</li> </ul>	<ul style="list-style-type: none"> <li>Floating rate, fixed rate and equity exposure</li> </ul>	<ul style="list-style-type: none"> <li>12%+ during and following periods of market volatility</li> </ul>	<ul style="list-style-type: none"> <li>13%+ during and following periods of market volatility</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>

Source: Mercer, as of December 2021. For illustration and educational purposes only. Actual returns may vary from those shown. \*Based on target performance of underlying fund investments.

# Auréus Private Debt Portfolio (Euro-focused)

For discussion - Only terms & conditions outlined in the fund's final issue document are binding

## Terms

<b>Target Return</b>	Cash plus 5.5% - 7.5% <sup>1</sup>
<b>Asset Allocation</b>	75% Senior Private Debt / 15% Subordinated Debt / 10% other
<b>Domicile / Structure</b>	Titanbay Feeder Fund - Lux RAIF
<b>Subscription period</b>	December 2023 to March 2024
<b>Capital call period</b>	100% called on close
<b>Minimum Investment</b>	EUR 125,000
<b>Fund term / Redemptions</b>	Estimated 7 years Estimated ongoing management & platform fee based on MiFID II guidance p.a.

## Fees <sup>2</sup>

Underlying GP Management fees & structuring costs <sup>3</sup>	0.43%
Mercer management fees and structuring costs	0.40%
Titanbay platform fee + Feeder Fund fee	0.60%
Aureus investment advisory fee	0.61%
<b>Total</b>	<b>2.04%</b>

**Cash distributions** Ad-hoc. Estimated cash yield of 5% subject to changes in interest rates

**Fund Currency** Contributions & Distributions in EUR (€)

There is no guarantee that target returns will be met.

<sup>1</sup> Net of Mercer and underlying manager fees, gross of Titanbay and Auréus fees. When these fees are added they will have a negative impact on performance.

<sup>2</sup> Excludes transaction costs of 0.08%, and ancillary service charges of 0.11%, one-off Titanbay commitment fee of 0.30%.

<sup>3</sup> Actual fees will vary. Future vintages subject to returning investor and first close discount.



# Track records

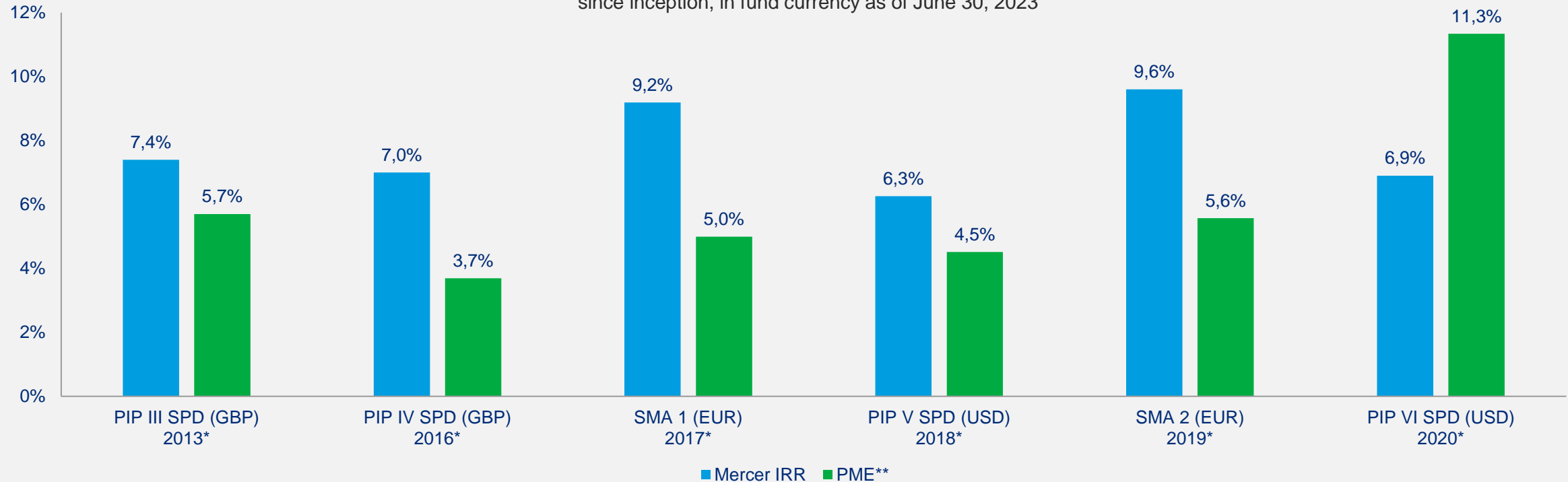




# Mercer Senior Private Debt Track Record

## Portfolio IRR of Mercer Senior Private Debt products

since inception, in fund currency as of June 30, 2023



Note: Performance numbers include all Senior Private Debt investment opportunities selected for Mercer products and are net of underlying manager fees and gross of Mercer fees. Past performance may not be indicative of future results. Returns may increase or decrease as a result of currency fluctuations. Future performance is subject to i) taxation which depends on the personal situation of each investor and which may change in the future and ii) foreign exchange which could impact investor's end performance should the investor base currency be different from the Sub-Fund which is denominated in USD. PIP VI (2020) is still in its investment period. Please note that these funds are actively managed without any reference to a benchmark index.

\* Vintage years of Mercer funds.

\*\* PME = Public Market Equivalent: Shows IRR of a cashflow adjusted investment in a listed benchmark (Mix of 60% S&P European Leveraged Loans Index (ELLI) and 40% S&P Leveraged Loan Index (LLI)).

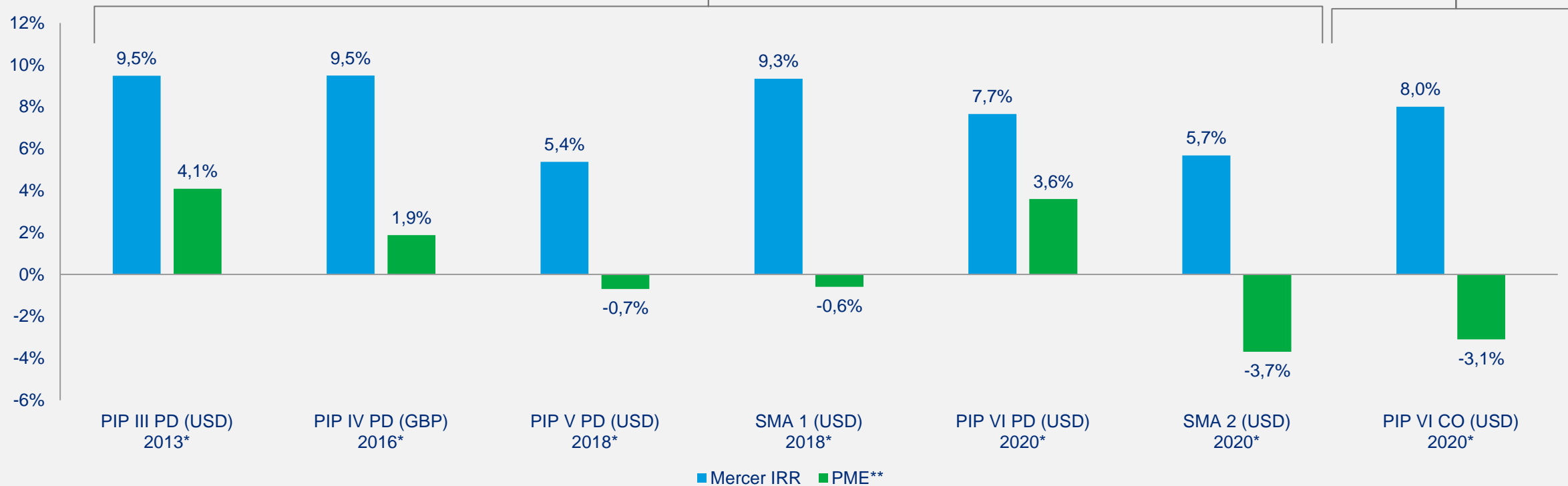
# Mercer Private Debt Track Record

## Portfolio IRR of Mercer Private Debt products

since inception, in fund currency as of June 30, 2023

### Mercer Private Debt

### Mercer PIP Credit Opportunities



Note: Performance numbers include all Private Debt investment opportunities selected for Mercer products and are net of underlying manager fees and gross of Mercer fees. Past performance may not be indicative of future results. Returns may increase or decrease as a result of currency fluctuations. Future performance is subject to i) taxation which depends on the personal situation of each investor and which may change in the future and ii) foreign exchange which could impact investor's end performance should the investor base currency be different from the Sub-Fund which is denominated in USD. PIP VI (2020) is still in its investment period. Please note that these funds are actively managed without any reference to a benchmark index.

\* Vintage years of Mercer funds.

\*\* PME = Public Market Equivalent: Shows IRR of a cashflow adjusted investment in a listed benchmark (Mix of 60% BofA Merrill Lynch European High Yield Index 40% BofA Merrill Lynch US High Yield Index (H0A0)).

# Sample Private Debt Transactions



# Asset Class: Private Debt - Primary Fund1

Food & Beverage, Europe



## Manager Overview

- Pemberton was founded in 2013 and has €11 billion of AUM<sup>1</sup>
- The firm has 110 employees including a team of 49 investment professionals, led by Symon Drake-Brockman, in 8 European countries

## Investment

- 850 Food Group is a leading multi-protein food group headquartered in the U.K.
- Solution sought by 850 Food Group to refinance the debt of the combined #1 U.K. Seafood business and #3 pork processor and support the acquisition of one of the largest European private label frozen fish producers.
- Securities: £180 million original senior secured term loan and subsequent £154 million senior secured term loan to finance the acquisition

## Investment thesis

- 850 Food Group is a leading multi-protein food group with synergy potential
- Pemberton has known the asset for several years
- High degree of confidence of early repayment resulting in a high IRR for the fund
- Strong customer and manufacturing diversification within Europe and international sales channels
- Strong management team and sponsor
- The company operates an ESG Steering Group

## Outcome

- Status: Realised
- Closing Date: April 2020
- 27.5% gross asset IRR<sup>2</sup>

Notes: 1 | This example shows a single transaction by a single manager. It should not be viewed as a guarantee of returns in this sub sector. This example is for illustration and educational purposes only, and should not be viewed as investment advice or an endorsement of the manager in any way. AUM defined as Committed Capital

2 | As of October 6th 2021.

# Asset Class – Private Debt Primary Fund

## Business Services, Europe (United Kingdom)

# Bridgepoint

### Manager Overview

- Bridgepoint Credit invests across the capital structure and risk-reward spectrum through its three complementary strategies of Syndicated Debt, Direct Lending and Credit Opportunities.
- Bridgepoint Credit has committed over €17 billion of capital to approximately 370 companies over a 15-year track record<sup>1</sup>.
- A dedicated team of 65 professionals located in Frankfurt, London, Madrid, New York, Paris and Stockholm<sup>2</sup>.



# Anthesis

### Investment

- Anthesis is a UK-based sustainability consulting company with presence across 20 countries. It was formed in 2013 and has grown both and through 18 acquisitions, since inception. Anthesis is differentiated by their end-to-end offering, which includes ESG advisory, carbon offsetting, and proprietary digital solutions to help customers achieve ESG objectives.
- Introduced to the opportunity directly by Carlyle, with whom Bridgepoint Credit has built a strong relationship. Carlyle valued Bridgepoint Credit's expertise and knowledge of the sector through the experience of Bridgepoint's broader platform and were impressed with the team's ability to deliver a tailored financing solution in a short timeline.
- The deal is structured as a £60m Senior Secured Term Loan and a £40m Acquisition Facility at 113% LTV to support future M&A.

#### Investment Thesis:

- Attractive Underlying Market: Addressable market valued at £8bn in 2022 and forecast to grow supported by mega trends around global climate change commitments and increased regulatory oversight of ESG reporting.
- Strong Customer Base: Diversified footprint across geographies, end markets, and customers (c.2k customers with low levels of customer concentration); high proportion of re-occurring and repeat

### Outcome

- The term loan was used to support Carlyle's acquisition of Anthesis
- The acquisition facility has been put in place to support future growth of the business through M&A
- Status: Unrealised
- Date of Investment: July 2023
- Target Returns: Low-Teens

This example shows a single transaction by a single manager. It should not be viewed as a guarantee of returns in this sub sector.

This example is for illustration and educational purposes only, and should not be viewed as an endorsement of the manager in any way.

Note: 1) As of 31 March 2023. 2) As of August 2023. 3) LTV calculation excludes £28.0m cash overfunding intended to cover contingent liabilities unwinding over the next 12-36 months post-closing.



# Asset Class: Private Debt - Primary Fund

Banking, Finance and Insurance, Pan-Europe<sup>1</sup>



## Manager Overview

- Pemberton was founded in 2013, to connect institutional capital with mid-market businesses across Europe and has since grown into a leading European alternative private credit specialist seeking to deliver an innovative range of financing solutions for investors and borrowers.
- Pemberton operates one of the largest local origination networks in Europe with a presence in London, Frankfurt, Paris, Luxembourg, Milan\*, Madrid, Amsterdam and Copenhagen.



## Investment

- Headquartered in London, Currencies Direct is an independent digital payments and foreign exchange specialist that enables mass affluent individuals and SMEs to carry out international FX transactions.
- The platform serves the high-value transaction segment such as property purchases, migration & pensions, education, medical and investments, with average transaction values at £12.5k.
- The company uses a global network of 3500+ affiliates as their core sales channel which mainly comprises of property agents and wealth managers in order to target B2B and B2C clients.
- Pemberton supported the refinancing and recapitalisation of Currencies Direct, a business owned by Corsair and Palamon
- Pemberton was attracted to the investment due to: strong customer diversification, customer loyalty due to its digitally-led offering, competitive transaction fees and high-touch customer focus.

## Outcome<sup>2</sup>

- Current projected gross IRR of 21.2% and gross MOIC of 1.08x.
- Company has performed strongly since the deal closed in January 2022:
  - LTM revenues has increased by approx. 36% and;
  - LTM adjusted EBITDA has increased by approx. 28%.

Notes: Pemberton Capital Advisors LLP. <sup>1</sup>Primary geographic source of revenues. Borrowers with more than 50% of their revenues outside of the country in which they are headquartered are classified Pan-Europe if more than 50% of revenues are derived from Europe; Global if otherwise. This example shows a single transaction by a single manager. It should not be viewed as a guarantee of returns in this sub sector. This example is for illustration and educational purposes only and should not be viewed as an endorsement of the manager in any way. <sup>2</sup> Data as at 30th June 2023. Gross IRR is calculated using cashflows to and from the borrower in local currency. Gross MOIC is calculated as the multiple on invested capital calculated as total cash realised over total investment in local currency. \*External Advisor.

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