



## **Watercrest Opportunities Fund (“WOF” or the “Fund”)**

The Fund offers a co-investment opportunity in a diversified portfolio of senior secured corporate loans, equities and fixed assets. (Available for Wholesale Investors Only)

### **About Watercrest Capital**

Established in 2020 Watercrest Capital is an Australian-based hedge fund manager that implements multi-strategies investment fund with various asset classes under management, providing both clients and proprietary capital consistent returns and meeting their objectives.

We are backed by significant shareholders including the Kwan An Holdings, Zhang Family, LCCB Brothers Pty Ltd (“**Chen Family**”) and our Chairman, Mr Cui who have collectively committed >\$10,000,000.00 to cornerstone the Fund.

#### **Availability status**

Open for investment

#### **Industry**

Diversified, other, banking & financial services

#### **Asset class**

Alternative investment

#### **Primary objective**

Income & IRR

#### **Investor type**

Wholesale investor

#### **Liquidity**

Illiquid

#### **Closing date**

Manager discretion

#### **Structure**

Managed fund

#### **Funding stage**

Unlisted mature business

#### **Minimum investment**

\$250,000.00

#### **Security type**

Unit in a trust

#### **Target capital raising**

\$100,000,000.00

**Issuer**

Watercrest Capital Pty Ltd

**Management Fees**

2.00% p.a. on deployed funds only

**Performance Fees**

20% above RBA overnight cash rate plus 5% hurdle

**Target Return**

>12.0% p.a. with quarterly distributions

**Target Term**

3 - 5 years (from end of Investment Period)

**Fund overview**

Watercrest Opportunities Fund offers investors a unique opportunity to participate in a diversified portfolio of Australian and New Zealand senior secured corporate loans and equities.

Leveraging a proven track record and deep industry expertise, the Fund aims to deliver consistent quarterly income exceeding 10% per annum while preserving capital.

With a strict investment mandate and a focus on ESG, the Fund provides investors with exposure to a growing domestic asset class, low correlation to other investments, and the potential for attractive risk-adjusted returns.

**About Watercrest Opportunities Fund**

Watercrest Opportunities Fund (“WOF”) offers a co-investment opportunity in a diversified portfolio of senior secured corporate loans, equities and fixed assets.

**Investment objective**

- Target net investor return >10.0% p.a. with quarterly distributions
- Target fund size \$100,000,000+ (overs or unders at Manager’s discretion)
- Target fund term 3 - 5 years (from end of Investment Period)

**Why invest in WOF?**

**Strong tack record & performance**

WOF >12% p.a. net investor cash return since inception (as of 30 March 2024) across 8 investments.

**Shareholder alignment**

Shareholders, led by the Kwan An Holdings, will cornerstone the Fund, committing c\$20,000,000.00.

**Income stream & capital preservation**

Targeting to distribute a >10% p.a. net cash return quarterly with a focus on capital preservation.

**Diversification**

Low volatility investment providing diversification benefits at a portfolio and fund level. Largely uncorrelated to other asset classes.

**100+ years' experience with deep networks**

The executive team, board and investment committee bring substantial combined credit and capital market experience with deep networks and expertise across business operations and in multiple geographies.

**Strict mandate & disciplined selection**

Senior secured investments only with strict credit metrics (incl ESG). Since inception just 8 investments settled from 600+ opportunities.

**Unique origination & exclusive access**

Proprietary origination networking giving investors access to exclusive investment opportunities.

**Proudly multicultural background**

Australian and Asian investment managers supporting Australian and New Zealand business while providing investors access to a growing domestic asset class.

**Key investment parameters**

Purpose	Loans and equities for growth, acquisitions, buyouts, liquidity events
Type	Senior secured corporate loans and equities with up to 20% allocation to senior syndicated loans
Geography	Australian and New Zealand businesses or at Manager discretion
Profile	EBITDA of \$2m+
Size/ Tenor	\$1m - \$50m / 24 – 48 months
Concentration limit	No single underlying investment may constitute >20% of the Fund size
Structure & term of Fund	Closed-ended Australian wholesale unit trust. 5 years from the end of the Investment Period.
Closing date	Targeted first Closing date: the earlier of 30 September 2024 or once the Target Fund Size is achieved.
Distributions	Quarterly in arrears
Units on offer	<p><b>A Class:</b>  Issue price of A\$1.00 per Unit  Partly paid with a capital call structure.  Reporting and performance based on deployed funds.</p> <p><b>B Class:</b>  Issue price of A\$1.00 per Unit  Fully paid at Fund Close, Watercrest Capital to manage undeployed funds.  Reporting and performance to cover both deployed and undeployed funds.  Class A and Class B units will be drawn on proportionally for Underlying Investments.</p>

## Why private corporate debt and equity?

A large funding gap exists between what the major banks can provide and demand from corporate borrowers due to increased capital requirements and regulation.

WOF provides investors access to the opportunity this presents.

Portfolio benefits include:

- I. High yield with regular income payments
- II. Attractive risk-adjusted returns
- III. Low correlation to other asset classes
- IV. Capital preservation
- V. Portfolio diversification

## ESG and sector considerations

Watercrest recognises the importance of ESG impacts on its investment selection and is focused on supporting Australian and New Zealand companies in growing, sustainable sectors.

Strict ESG criteria is followed, which is continually reviewed based on updated market information.

### Exclusions

- Tobacco
- Gambling
- Adult entertainment
- Payday / predatory lending
- Armaments

### Avoided sectors

- Direct agriculture
- Early-stage finance
- Lending to lenders
- Project finance

## Contact details

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## **Statutory Statement**

This offer of scheme interests is available to wholesale clients only. This product listing was vetted by and approved by the product issuer identified above before publishing.

## **General Disclaimer**

### IMPORTANT STATEMENT ABOUT YOUR USE OF THIS DOCUMENT

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