

The new alternatives are engineered in the plumbing, not the payoff

Inflation and higher policy rates have raised the test for every income promise. This issue takes ten structures now moving capital between banks, insurers, private funds and wealth portfolios, sets out how each is built, and records what the holder is left carrying. The Australian listed evidence follows.

4.60% RBA cash rate target Raised 25 basis points on 29 September 2026 [S01]	3.75–4.00% US federal funds range Raised on 16 September 2026 [S02]	US\$607bn US evergreen private-market funds 567 funds at 31 March 2026; up 2.8% in the quarter, 35% in 2025 [S33]	€378bn Bank loans covered by risk transfers Protected in 2025 by €30bn of junior tranches sold to investors [S48]
US\$118bn Secondary-market volume, first half A record half; sponsor-led deals were 53% [S38]	US\$18.9bn Catastrophe bonds, nine months A record nine months; US\$65.5bn outstanding [S51]	9 of 25 Indicative listed discounts around or beyond 10% (page 30) On matched dates: 7 at 31 August, 2 later and provisional	3 of 16 Reviewed funds with no asset value after 30 June The newest standing value was 104 days old at 12 October

FIVE JUDGEMENTS IN THIS ISSUE IIR reading; each is argued in the file shown

- Liquidity is being manufactured by rule, not by the assets.** A 5% quarterly cap, a liquid sleeve of 5% to 20% and, in one ETF, an originator's standing bid. The caps held in the first test of 2026. They ration exit; they do not create it. Files 01, 02, 10
- Credit risk is leaving bank balance sheets in tranche form.** Banks sold €30bn of junior risk on €378bn of loans in 2025, mostly to private funds, and banks finance some of the buyers. File 03
- Capital rules are now a design input.** A rated note feeder turns a fund interest that carries a capital charge of 30% to 45% for a US insurer into senior notes charged as little as 0.7% to 1%. The assets do not change. File 05
- The structured note is being rebuilt as an ETF.** US note issuance passed US\$195bn in 2025, more than 43% of it autocallable. One fund now tracks 52 of those payoffs, laddered weekly, through a single swap. File 07
- Regulators are redrawing retail access in most markets at once.** New regimes are in force in the European Union, Korea and India. The United States, the United Kingdom and Singapore have proposals out, and Hong Kong has its first filing. Australia has relied on disclosure principles and a proposed reporting duty. File 10

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HOW TO READ THE ENGINEERING FILES

Each file is two facing pages. The first sets out what is engineered, with a diagram of the mechanism and a table of who is on each side. The second gives the published terms, the arithmetic, what the holder keeps, questions to ask and the Australian read-across. Figures are as reported by the source named; IIR arithmetic is marked. Named products are examples, not recommendations.

CLIENT RELATIONSHIPS

KKR Credit Income Fund (KKC), Neuberger Berman and Pacific Equity Partners (PEP) are IIR client relationships. Disclosure: pages 27 and 34.

01 Semi-liquid evergreen funds	06 Public wrappers for private credit	08 Bank risk transfer (SRT)	10 AI infrastructure finance	12 Secondaries and rated feeders	14
06 Catastrophe bonds	16 Option-engineered ETFs and notes	18 Hedge-fund techniques in retail funds	20 Tokenised funds and collateral	22 Retail wrappers, by jurisdiction	24

Information to 12 October 2026; ASX closes to 9 October; LMI register data at 31 August. Each reading carries its own date and measure and is not a forecast. Source numbers refer to the register on pages 32 and 33.

THE ENGINEERING MAP

Ten structures, one page: what is built, how large it is, and where the exit and the first loss sit

Most of what is new in alternatives since 2024 is a change in who funds an asset, who may redeem and who absorbs the first loss. The assets themselves, loans, buildings, insured risks and listed shares, are familiar.

EXHIBIT 1 The ten engineering files at a glance

	STRUCTURE	WHAT IS ENGINEERED	SCALE, WITH DATE	HOW THE INVESTOR GETS OUT	WHO CARRIES THE FIRST LOSS	PAGE
01	Semi-liquid evergreen funds	Liquidity by rule: a quarterly repurchase cap, a liquid sleeve, a bank line and loan repayments	US\$607bn in 567 US funds, 31 Mar 2026	Repurchase at NAV, usually capped at 5% a quarter; pro rata above it	The holder, at a NAV the manager strikes	06
02	Public wrappers for private credit	A contractual backstop bid, or senior tranching, so that an ETF can hold credit that does not trade	PRIV above US\$840m (May 2026); CLO ETFs above US\$50bn (Jul 2026)	On market, daily	The holder; the backstop is one firm's bid	08
03	Bank risk transfer (SRT)	A mezzanine slice of a bank loan book sold as a credit-linked note; the bank keeps the loans and frees capital	€378bn of loans protected in 2025 by €30bn of tranches	None before maturity; a private, thin market	The investor, after a small slice the bank keeps	10
04	AI infrastructure finance	A project bond on one data centre, supported by short leases and a tenant's residual value guarantee	US\$27.3bn single deal (2025); US\$61bn of data-centre ABS and CMBS outstanding	Bond market; long-dated and amortising	The venture's equity; bondholders rely on the tenant's guarantee and termination fee	12
05	Secondaries and rated feeders	Old fund interests repackaged: continuation vehicles for sponsors, rated notes for insurers	US\$118bn of secondary volume, H1 2026	Sale at a negotiated share of NAV	Equity below the rated notes; the buyer of the interest	14
06	Catastrophe bonds	Reinsurance cover funded in advance by investors and held in a collateral trust	US\$18.9bn issued in nine months; US\$65.5bn outstanding	Secondary trading; principal is returned at the end of the term if the bond is not triggered	The investor, once losses pass the attachment point	16
07	Option-engineered ETFs and notes	A ladder of autocallable or buffered payoffs held through swaps and FLEX options	US notes above US\$195bn in 2025; autocallable ETFs above US\$2.5bn	On market, daily	The holder, below the barrier or beyond the buffer	18
08	Hedge-fund techniques in retail funds	Futures overlays that stack two exposures on one dollar; regulated long-short funds	India's SIFs Rs 31,175 crore (Aug 2026); Return Stacked suite US\$1bn (Dec 2025)	On market or at NAV	The holder, on both stacked exposures	20
09	Tokenised funds and collateral	A fund register kept on a blockchain so that units can move, settle and be pledged outside market hours	US\$14.9bn of tokenised Treasury products, 12 Oct 2026	Redemption with the fund; transfer on the token register	The holder; the token adds legal and operational risk	22
10	Retail wrappers, by jurisdiction	New fund regimes that fix how often, how much and how soon a holder can leave	Nine jurisdictions compared	Set by the regime: listed with no redemption, or unlisted with rationed redemption	The holder	24

IIR, from the sources cited in each file. Scale figures are as reported by the source named in the file and are not additive: currencies, dates and measures differ. Sources: file 01: S33, S36; file 02: S41, S42, S70; file 03: S47, S48; file 04: S49, S50; file 05: S38, S39, S40; file 06: S51; file 07: S53, S54, S56; file 08: S59, S60; file 09: S61, S62, S63; file 10: S45, S65, S67, S69, S72.

PATTERN 1 · LIQUIDITY IS A RULE

In files 01, 02 and 10 the investor's exit is set by a cap, a notice period or a counterparty's promise. The underlying assets take months or years to turn into cash. The engineering question is what funds the exit when requests exceed the cap, and what the remaining holders are left with.

PATTERN 2 · CAPITAL RULES SHAPE THE PRODUCT

Files 03 and 05 exist because of how banks and insurers are charged for holding assets. A change in those rules, such as the NAIC's work on ratings and the Basel Committee's on risk transfer, can change demand for the structure without any change in the assets.

PATTERN 3 · RISK IS MOVED, NOT REMOVED

Files 04, 06 and 07 sell a defined slice of a risk: a tenant's renewal decision, a hurricane, an equity index below a barrier. The income is the price of that slice. Where the price has fallen, as in catastrophe bonds this year, the investor is paid less for the same exposure.

HOW THE FILES WERE CHOSEN

A structure is included where three conditions are met: issuance or assets are large enough to be reported by a regulator, an industry body or a data provider; the mechanism differs from a plain fund holding plain assets; and a document describing the mechanism was available, primary where possible; page 33 shows which files rest on secondary accounts. Structures for which no such document was reviewed are left out; several are listed on page 26.

WHAT THE FILES DO NOT DO

They do not rate, rank or recommend any product, and they do not establish that any named product is available to Australian investors. Scale figures show that a structure matters; they do not show that it is suitable. Client relationships relevant to named managers are disclosed on page 27 and page 34.

CAPITAL · RATES AND FLOWS

Policy rates rose in both countries in September; fund investors bought bonds and wrappers changed more than exposures

Cash and liquid bonds now pay a visible return with a simple exit. An illiquid strategy has to earn its extra credit, valuation, leverage and access risk after fees, which is why this issue looks at how products are built.

4.60%
RBA cash rate target

Decision of 29 September 2026; up 25 basis points [S01]

3.75–4.00%
US federal funds range

Decision of 16 September 2026 [S02]

3.7%
US PCE inflation, 2026

Federal Reserve median projection, September [S03]

3.4%
US core PCE inflation, 2026

Federal Reserve median projection, September [S03]

The two policy rates are decisions. The two inflation figures are projections of a different measure and are not a matched pair of realised readings.

WHAT THE RATE RISE DOES TO AN INCOME PRODUCT

Floating-rate lending passes a higher benchmark to the borrower, so the lender's extra income and the borrower's cash-flow pressure arrive together. The test is whether the reset coupon is paid in cash. A fund can keep distributing while interest is capitalised, a loan is refinanced, or liquidity is supplied by new subscriptions or borrowing.

For real assets, an indexed lease or tariff helps only where increases are enforceable and collectible, and higher required returns can still lower the asset value. A property lender receives contractual interest; it does not share the landlord's rental growth.

For an Australian holder of an offshore product, a US dollar coupon does not establish an Australian dollar real return. The hedge policy is a separate decision from the economic thesis.

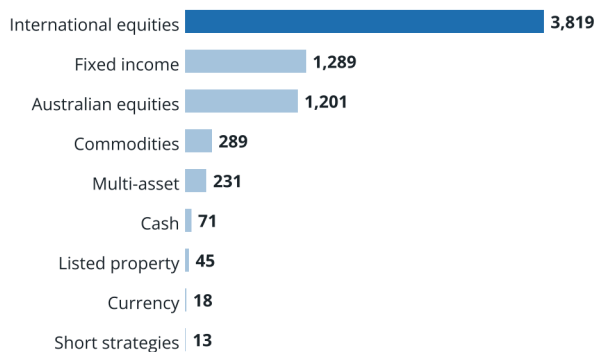
IIR READING

The September flows fit a market paying for liquidity and choosing its wrapper carefully. US investors added to bonds on the combined measure while equity mutual-fund withdrawals exceeded equity ETF issuance. The figures do not trace an investor from one wrapper to another, and they say nothing about private funds, whose flows are reported later and differently (file 01).

AUSTRALIAN READ-ACROSS

ASX-listed exchange-traded products held A\$335.9bn in 446 products at 30 April 2026, up 33.9% in a year; listed investment companies and trusts held A\$55.1bn in 91 vehicles [S71]. In August, 54.7% of the Australian ETF category flows shown went to international equities and 18.5% to fixed income [S07].

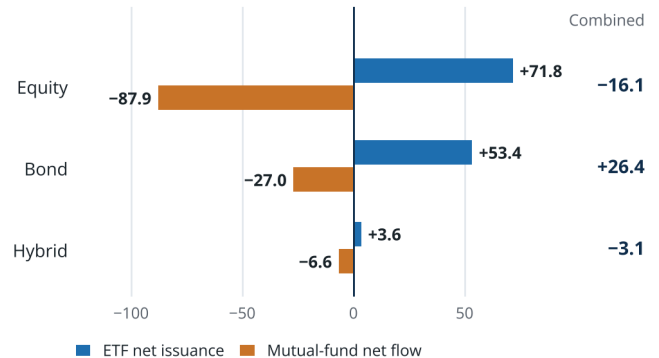
EXHIBIT 2 Australian ETF net flows by category, August 2026, A\$ million



CATEGORY	NET FLOW, A\$M	SHARE
International equities	3,819	54.7%
Fixed income	1,289	18.5%
Australian equities	1,201	17.2%
Commodities	289	4.1%
Multi-asset	231	3.3%
Cash	71	1.0%
Listed property	45	0.6%
Currency	18	0.3%
Short strategies	13	0.2%
Total of categories shown	6,976	100.0%

Betashares Australian ETF Review, August 2026, page 6 [S07]. Shares are IIR arithmetic on the A\$6,976m shown; the report rounds industry flows to A\$7.0bn. VBND took in about A\$250m while AGVT and USTB lost about A\$80m and A\$64m.

EXHIBIT 3 US ETF and long-term mutual-fund flows, four weeks ended 30 September 2026, US\$ billion



CATEGORY	ETF NET ISSUANCE	MUTUAL-FUND NET FLOW	COMBINED
Equity	71.759	-87.878	-16.119
Bond	53.421	-27.018	26.403
Hybrid	3.563	-6.641	-3.078
Subtotal, three categories	128.743	-121.537	7.206

Investment Company Institute weekly estimates for the weeks ended 9, 16, 23 and 30 September, releases of 6 and 7 October 2026 [S08, S09]. Estimates, not the monthly series; money-market funds are excluded. ICI also reports commodity ETF net issuance of US\$3.149bn over the four weeks, with no matching mutual-fund series; including it, the combined figure is +US\$10.355bn.

CAPITAL · CHANNELS AND ALLOCATION

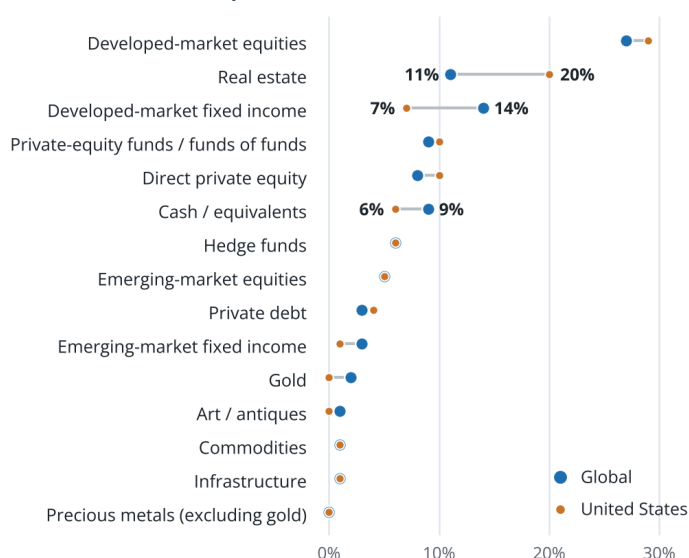
Eleven dated observations of where capital came from; they sit at different points in the chain and cannot be added

Savings supply superannuation; advisers and platforms administer portfolios; funds allocate to securities, other funds or private assets. The same dollar can appear at several stages, and none of the public sources cited links a private bank or family office to the product it bought.

EXHIBIT 4 Funding channels: what each observation measures, and where the inference stops

SOURCE OF CAPITAL	PERIOD	REPORTED AMOUNT AND MEASURE	LIMIT OF THE INFERENCE
Superannuation, Australia	Year to 30 Jun 2026	A\$236.3bn contributions; A\$148.2bn benefit payments; A\$77.7bn net contribution flows	System funding. Net flows also include net benefit transfers, so the figure is not the difference of the two shown. [S05]
Advised clients, HUB24	FY26 to 30 Jun	A\$18.9bn net platform inflows; A\$139.5bn platform FUA	Destination asset class not identified; includes transferred existing wealth. [S06]
Australian ETF investors	Aug 2026	About A\$7.0bn net inflows	Retail, high-net-worth and family-office split is not disclosed. [S07]
US fund investors	Four weeks to 30 Sep 2026	Bonds +US\$26.4bn; equities –US\$16.1bn, ETFs and mutual funds combined	Weekly estimates; does not trace an investor switching wrappers. [S08, S09]
Global gold funds	Sep 2026	About US\$10bn net inflows; US\$31bn in the third quarter	North America US\$4bn, Europe US\$3.6bn, Asia US\$2.3bn. Location of funds, not of investors. [S10]
US evergreen private funds	12 months to 31 Mar 2026	Private equity +US\$16.3bn; alternative credit +US\$12.3bn; direct lending +US\$6.3bn; real estate –US\$0.3bn	Net flows by strategy as reported; the private equity and alternative credit figures are for interval and tender-offer funds. Redemptions rose in early 2026. [S33]
Private-market investors, KKR Asia credit	Close of 14 Jan 2026	US\$2.5bn of commitments: US\$1.8bn fund, US\$0.7bn accounts	A fundraising close over its marketing period; not inflows to KKC. [S11]
Wholesale investors, JANA	Announced 25 Aug 2026	More than A\$270m in the trust at announcement	An asset balance, not a period flow. [S12]
BCRED shareholders	Estimate at 2 Sep 2026	About US\$4.3bn of repurchase requests, about 10% of shares, against repurchases of 5%	Requests are not cash paid. Final third-quarter figures are due in November. [S13]
Family offices	UBS 2026 survey; 2025 weights	Portfolio weights; see the exhibit below	307 offices; holdings, not subscriptions or a census of wealth. [S14]
Autocallable ETF investors	Mid-2026	Autocallable ETF assets above US\$2.5bn; one fund above US\$1bn	Assets include performance; not net new money. [S53]

Sources as numbered. Currencies, periods and measures differ and populations overlap, so no total is given.

EXHIBIT 5 Family-office strategic allocation, 2025: global and United States, % of portfolio


UBS Global Family Office Report 2026, strategic asset allocation 2025 by region [S14]. Survey of 307 family offices in more than 30 markets; rounded weights, each column sums to 100%. Values are labelled where the two samples differ by three points or more.

WHAT THE ALLOCATION SURVEY SHOWS

The US sample held 20% in real estate against 11% globally, and 7% in developed-market fixed income against 14%. Private equity, direct and through funds, was 20% of the US sample and 17% globally; private debt was 4% and 3%.

These are holdings at a date. They show that large private portfolios already carry substantial illiquidity. They are not evidence of new allocations in 2026, and no dollar flow can be inferred from them.

IIR READING

The gap in the evidence is itself a finding. Flows into listed and registered funds are published weekly or monthly. Flows into private and semi-liquid funds appear quarterly, by structure, and with restatements: the 2025 total for US evergreen funds was restated from US\$534.6bn to US\$590.8bn [S33]. An allocator comparing the two is comparing data of different quality.

AUSTRALIAN READ-ACROSS

No Australian source reviewed reports net flows into unlisted evergreen funds by strategy. HUB24 totals do not identify asset class. The listed screen (pages 5, 28 and 30) is the bounded Australian population screened here; only 16 of 25 eligible funds had their documents reviewed.

THE PRODUCT MAP

Seventeen exposures, and where the engineering files touch them

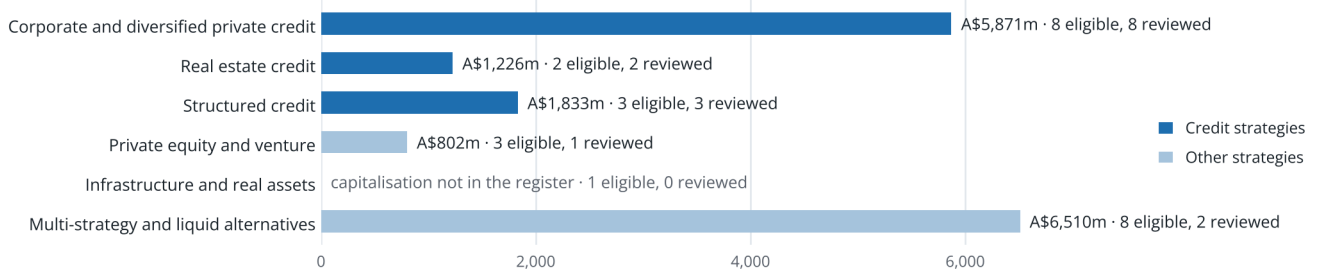
The map separates what is owned from how it is packaged. An ETF, a listed trust, an interval fund, an ELTIF and a note are wrappers. A CLO tranche is structured credit whether it is bought through an ETF or a private fund.

EXHIBIT 6 Primary exposures, the risk to test, and the engineering file that bears on each

PRIMARY EXPOSURE	EXAMPLES	THE RISK TO TEST	ENGINEERING FILE
Cash and equivalents	Deposits, Treasury bills, money-market funds	Reinvestment, bank or fund credit, purchasing power	FILE 09
Listed equities	Australian, global and thematic shares	Earnings, valuation, concentration, currency	FILE 07, 08
Public investment-grade fixed income	Government, semi-government and corporate bonds	Duration, spreads, currency	NOT COVERED
Inflation-linked fixed income	Indexed sovereign bonds, TIPS ladders	Real yields, index mismatch, currency	NOT COVERED
Public leveraged credit	High-yield bonds, syndicated loans	Default, recovery, liquidity	FILE 02
Corporate private credit	Direct lending, unitranche, mezzanine	Cash interest, covenants, refinancing	FILE 01, 02
Real estate credit	Mortgage, development and mezzanine debt	Collateral value, construction, exit capacity	FILE 01, 10
Asset-based and specialty finance	Receivables, equipment, aviation, trade	Servicing, legal title, residual value	FILE 03, 04
Structured credit	CLO, ABS, RMBS and CMBS tranches	Position in the waterfall, triggers, correlation	FILE 02, 03, 04
Private equity and venture	Buyout, growth, venture, co-investments	Entry price, leverage, capital calls, exits	FILE 01, 05
Real estate equity	Core, value-add, development, REITs	Rent, vacancy, cap rates, capital expenditure	FILE 05
Infrastructure equity and debt	Utilities, transport, digital, renewables	Indexation, construction, regulation	FILE 04
Natural resources and real assets	Agriculture, timber, water, commodities	Weather, operations, commodity prices	NOT COVERED
Hedge funds and liquid alternatives	Macro, trend, long/short, relative value	Leverage, crowding, models, liquidity terms	FILE 08
Insurance-linked assets	Catastrophe bonds, reinsurance	Event loss, model error, trapped collateral	FILE 06
Engineered and option-based	Buffers, covered calls, autocallables	Caps, barriers, term, counterparty	FILE 07
Multi-asset portfolios	Blended public and private funds	Overlap, total fees, liquidity mismatch	FILE 01, 02

IIR editorial classification. It is not an estimate of assets under management. For allocation totals a holding belongs to one primary exposure or is split by disclosed look-through weights; a feeder is not added to its underlying fund.

EXHIBIT 7 The ASX-listed screen: eligible market capitalisation by strategy, A\$ million, 31 August 2026



IIR, from the LMI Monthly Update (edition of 3 October 2026, data at 31 August) [S79]. 94 listed vehicles in the register; 30 pass the alternatives and credit screen; 25 are eligible; 16 were reviewed from their own documents. RIV's capitalisation is not in the register and is left out of the totals.

WHAT THE LISTED SCREEN IS

It is a screen of IIR's own register of 94 ASX-listed investment companies and trusts, not a census of Australian alternatives. Thirteen of the 25 eligible vehicles are credit trusts, with A\$8.9bn of the A\$16.2bn of eligible capitalisation, and all thirteen were reviewed.

Every one of the sixteen reviewed vehicles is a closed-end listed fund: the holder's exit is a sale on market, at the market's price. That is the opposite design choice from the rationed redemption in file 01, and the two are set side by side on page 26.

WHY THE TWO DESIGNS MATTER HERE

The listed design shows its liquidity cost as a discount: nine of the 25 stood more than 10% below asset value on a matched date. The unlisted design shows it as a queue. File 10 sets the two beside the regimes other countries have chosen, and pages 28 and 30 give the Australian evidence.

US evergreen funds hold US\$607bn, most of it behind a quarterly cap of about 5%; 2026 has brought the first real test

A perpetual fund sells units at net asset value every month and offers to buy back a capped share every quarter. The promise is built from four sources of cash, none of which is the sale of the underlying assets.

US\$607bn US evergreen funds, 31 March 2026 567 funds; up 2.8% in the March quarter, 35% in 2025 [S33]	5% Usual quarterly repurchase cap Several sponsors voluntarily lifted it to 7% in 2026 [S33]	+1.6% Evergreen fund index, 2026 to end-April Four months; 7.4% in calendar 2025; direct lending +0.9% [S33]	46% Share of evergreen portfolios in secondaries Up from 41% in 2025 [S38]
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HOW THE LIQUIDITY IS BUILT

The assets are loans, buyout stakes and buildings that take years to turn into cash. The fund's liquidity comes from elsewhere: scheduled repayments, a sleeve of traded securities, a bank line, and the next investor's subscription.

The cap limits cash offered from repayments, subscriptions, liquid assets or borrowing. Excess requests may be prorated. Payment timing and whether unmet requests lapse or carry forward depend on each fund's terms.

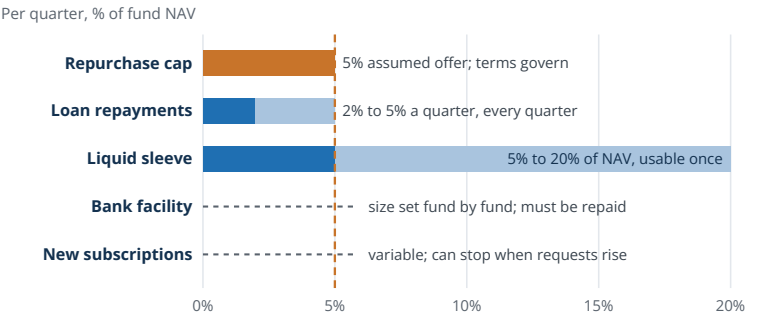
That happened this year. Six large US non-traded credit funds estimated third-quarter requests at 10% to 39% of shares against limits of about 5% (facing page). The Morningstar and PitchBook review calls it the first real stress test and judges that the caps are working as designed [S33]. One report of it adds that in direct lending, maturities and income were enough to meet requests without forced selling [S33].

THE SECOND ENGINE: BUYING BELOW NET ASSET VALUE

Evergreen funds have become large buyers of second-hand fund interests. A stake bought at 91% of the seller's net asset value, the first-half average for buyout interests [S38], is commonly marked up to that net asset value on purchase [S37].

The gain is real in that the fund owns more reported value than it paid for. It is also a one-off, and it is largest when the fund is small. One adviser's illustration: US\$100m deployed at a 20% discount adds US\$25m on day one; inside a US\$3bn fund the same trade adds about 0.8% [S76].

EXHIBIT 8 One quarter in an evergreen credit fund: sources of cash against the repurchase cap



IIR diagram. Ranges are those Lonsec reports for Australian evergreen private debt funds [S36]; the cap is the usual US and Australian term [S33, S36]. The sleeve is a stock and can be spent once; repayments recur.

IIR READING

The cap protects the remaining holders and the manager's fee base. It does not shorten the life of the assets. A fund whose net flows turn negative for several quarters is a slow-motion closed-end fund without a market price, and the day-one gains from discounted purchases fade as the fund grows.

Assets grew 2.8% in the March quarter, from a restated US\$590.8bn at the end of 2025, after 35% in calendar 2025; 15 funds were added in the quarter against 63 in all of 2025, on Morningstar and PitchBook's count [S33]. One quarter does not establish a slowdown.

EXHIBIT 9 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Sponsor	Capital that does not have to be raised again every few years; a management fee on net asset value and, in some funds, an incentive fee on unrealised gains [S37]	A standing obligation to offer repurchases, and the liquidity management that goes with it
Investor	Private assets at a small minimum, invested from the first day	The right to leave on demand. Exit is capped, prorated and at a price the manager strikes
Seller of an old fund interest	Cash now, at an average 91% of asset value for buyout interests [S38]	The discount
Lending bank	Secured lending to the fund [S36]	Exposure to the same assets if redemptions are funded from the line

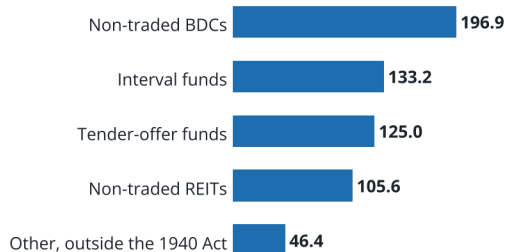
IIR, from the sources numbered.

01

ENGINEERING FILE 01 OF 10 · CONTINUED
SEMI-LIQUID EVERGREEN FUNDS

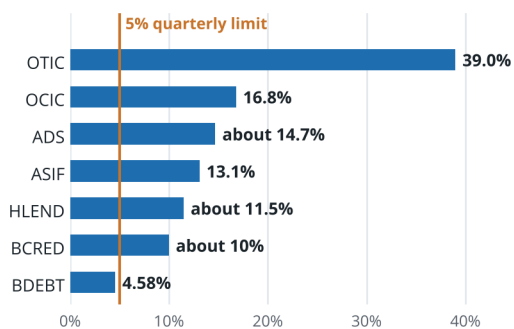
The caps held. At the most oversubscribed fund, about 13% of each request would be met at the limit

EXHIBIT 10 US evergreen fund assets by structure, US\$ billion, 31 March 2026



Morningstar and PitchBook, Q2 2026 US Evergreen Fund Landscape, as reported [S33].

EXHIBIT 11 Third-quarter 2026 repurchase requests, % of shares



Fund shareholder notices and SEC filings [S77]. Preliminary estimates; share bases and dates differ by fund.

EXHIBIT 12 Terms as published

Subscription	Monthly or daily, at the latest net asset value
Repurchase	A quarterly offer at net asset value. Most funds cap it at 5% of NAV a quarter; several sponsors voluntarily lifted it to 7% in 2026 [S33]
If requests exceed the cap	An interval fund may prorate but cannot gate [S34]. Tender-offer funds, non-traded BDCs and REITs repurchase at the board's discretion under their own terms
Liquid sleeve	Hard limits of 5% to 20% of assets in Australian evergreen private debt funds [S36]
Natural liquidity	Loan repayments typically return 2% to 5% of the book a quarter; loans run three to five years [S36]
Leverage	A bank facility, which gives flexibility in managing redemption requests [S36]
Fees	A management fee on net asset value. Incentive fees can be charged on unrealised, manager-valued gains [S37]

EXHIBIT 13 The arithmetic of proration: what a 5% limit means for a holder asking to leave

FUND	REQUESTS, % OF SHARES	SHARE OF A REQUEST MET AT A 5% LIMIT
OTIC Blue Owl Technology Income	39.0%	13%
OCIC Blue Owl Credit Income	16.8%	30%
ADS Apollo Debt Solutions	about 14.7%	34%
ASIF Ares Strategic Income	13.1%	38%
HLEND HPS Corporate Lending	about 11.5%	43%
BCRED Blackstone Private Credit	about 10.0%	50%
BDEBT BlackRock Private Credit	4.58%	100%

IIR illustration [S77]: assumes a 5% repurchase on the same share basis, capped at 100% of requests; not a minimum payment. Actual offers and payment follow fund terms. BCRED announced 5% [S13].

Assets. By asset class, direct lending is US\$236.5bn of the US\$607.2bn, real estate US\$115.5bn, private equity US\$99.3bn and alternative credit US\$55.0bn [S33].

Flows. Net inflows in the 12 months to March were US\$16.3bn to private equity, US\$12.3bn to alternative credit and US\$6.3bn to direct lending; real estate lost US\$0.3bn [S33]. XA Investments counts 314 US interval and tender-offer funds with 55 more in registration [S34]. Prequin counts a record 123 evergreen launches in 2025 and 30 in the first two months of 2026 [S35].

Persistence. If each offer meets half the request and the holder resubmits the balance quarterly, about 94% is met in four quarters (IIR illustration). Offers and carry-forward are not guaranteed. OCIC requests: 21.9%, 18.8%, then 16.8% [S77].

WHAT THE HOLDER KEEPS

- Proration: a request above the cap is part-paid and must be lodged again.
- A price the manager strikes. Valuation smoothing can mute visible volatility without removing the risk [S75].
- Fees on unrealised marks, and cash drag from the sleeve.

QUESTIONS TO PUT TO THE MANAGER

1. What were net flows in each of the last four quarters?
2. How large is the liquid sleeve, and what is in it?
3. What are the size, maturity and covenants of the bank facility?
4. What share of the return since inception came from purchases below asset value?
5. Does an unmet request lapse or carry forward?

AUSTRALIAN READ-ACROSS

The same terms are in Australian offer documents. PEP Gateway Evergreen (an IIR client relationship) limits net withdrawals to 5% of units a quarter, and Regal's Multi-Strategy Income Fund to 5% of NAV from 2028 (page 30). Lonsec reports the same sleeve, facility and cap across Australian evergreen private debt funds [S36].

02

ENGINEERING FILE 02 OF 10
PUBLIC WRAPPERS FOR PRIVATE CREDIT

UNITED STATES

RULE CHANGES PENDING

PRIV uses a contractual backstop bid to support liquidity in Apollo-sourced private credit; that support has limits

US mutual funds and ETFs may hold no more than 15% of net assets in illiquid investments. Three designs now put private or structured credit in front of ordinary investors, and each depends on a different party.

10–35%

Private credit in PRIV

General range; Apollo must bid intra-day for what it supplies [S41]

87%

Of PRIV held by one investor

Texas Permanent School Fund, first quarter 2026 [S42]

US\$50bn+

US CLO ETF assets, July 2026

US\$10bn of inflows in the first half; 24 funds [S70]

20%

Proposed cap on fund performance fees

SEC proposal of 30 September 2026 [S45]

THE BACKSTOP BID

PRIV, launched in February 2025, generally holds 10% to 35% of its portfolio in private credit. For the credit that Apollo supplies, Apollo has agreed by contract to provide intra-day executable firm bids and to repurchase at its bid, up to levels designed to cover an estimated seven-day stress redemption [S41].

On that basis the fund treats the assets as liquid. State Street's own document notes the limit of the design: if Apollo could not meet the bid and no other buyer existed, the assets could become illiquid.

Apollo is therefore both a seller of assets to the fund and the contractual bidder for them. The fund may also sell those assets to other counterparties. The FAQ does not say how the entry price is set.

DEMAND HAS BEEN NARROW

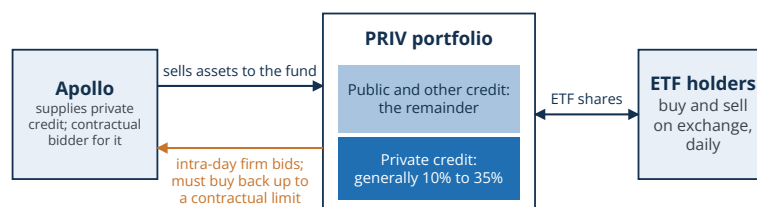
The fund took net inflows of US\$45m in 2025. A single-day order of US\$396m in February 2026 took it from about US\$100m to about US\$496m, and it passed US\$840m by May, by which time one public fund held about 87% of it [S42].

THE TRANCHE ROUTE AND THE INTERVAL ROUTE

CLO ETFs reach daily liquidity differently: they buy the senior tranches of loan securitisations, which trade. The largest passed US\$30bn in August, with US\$5.7bn of inflows in 2026 to 10 August [S70].

The third route does not attempt daily liquidity. Wellington, Vanguard and Blackstone launched two unlisted closed-end funds in July whose only exit is a quarterly tender at net asset value [S43].

EXHIBIT 14 How PRIV turns private credit into a daily-dealing holding



The limit is sized to cover an estimated seven-day stress redemption. Because of the bid, Apollo-sourced assets are generally not counted against the SEC's 15% limit on illiquid holdings.

IIR diagram from State Street's fund FAQ, March 2026 [S41]. The private-credit range is general and not a current weight; at least 80% of the fund is investment-grade debt, public and private. The fund may also buy private credit from other dealers.

EXHIBIT 15 The arithmetic of one large holder

PRIV, MAY 2026	US\$ MILLION
Fund assets	above 840
Private credit at the 10% to 35% range	84 to 294
Largest holder, at about 87% of the fund	about 730
All other holders	about 110
Private credit as a multiple of the other holders' capital	0.8 to 2.7 times

IIR arithmetic on the fund's stated range [S41] and the reported 87% holding [S42], applied to assets of US\$840m. The holder's first-quarter purchases were reported at about US\$740m. Current portfolio weights are not given in the sources cited. An ETF redemption is met through authorised participants and can be in kind; the figures show scale, not a sequence of events.

IIR READING

The innovation is contractual, not financial. The bid has not been tested in a stressed market, and its value then would rest on one firm's capacity to buy while others sell. The holder list matters as much as the bid: private credit in the fund could be up to 2.7 times the capital of every holder other than the largest.

EXHIBIT 16 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Originator (Apollo)	A standing buyer for loans it originates, and a route to investors who buy ETFs	A contractual duty to bid intra-day and to repurchase up to the limit, when others are selling
Fund sponsor	An ETF that can hold 10% to 35% private credit inside the 15% illiquidity rule	Dependence on one counterparty; the assets could become illiquid if the bid failed [S41]
ETF holder	Daily dealing in a portfolio that includes private credit, at a 0.55% gross expense ratio	The loans' credit risk, the bidder's price, and the behaviour of one very large co-holder

IIR, from State Street's FAQ [S41] and the reported holdings [S42].

02

ENGINEERING FILE 02 OF 10 · CONTINUED
PUBLIC WRAPPERS FOR PRIVATE CREDIT

Three routes to the same shelf, and a rule book that is being rewritten

EXHIBIT 17 Three public routes to private or structured credit

	ETF WITH A BACKSTOP BID	ETF OF SENIOR TRANCHES	UNLISTED INTERVAL OR TENDER FUND
Example	State Street IG Public & Private Credit ETF (PRIV)	Janus Henderson AAA CLO ETF (JAAA)	WVB All Markets Fund; WVB Blackstone All Privates Fund; Capital Group KKR U.S. Equity+
Exit / liquidity route	The originator's contractual bid [S41]	Secondary-market trading; AAA credit enhancement concerns credit risk	Quarterly offer at NAV, subject to its terms [S43, S24]
Private share	10% to 35% of the portfolio	None; broadly syndicated loans	Blackstone private-market funds beside public funds; about 40% private equity in the Capital Group KKR fund
Scale	Above US\$840m in May 2026; one holder about 87% [S42]	US\$32.3bn at 9 October 2026 [S21]; all US CLO ETFs above US\$50bn in 24 funds in July [S70]	The WVB funds launched in July 2026 through one distributor
Cost	0.55% gross expense ratio [S41]	0.20% expense ratio [S21]	Not stated in the sources cited
The dependency	One firm's willingness and ability to bid	Tranche ratings and loan-market liquidity	The board's offer and proration; a 5% quarterly offer in the Capital Group KKR fund

Issuer documents and press as numbered. 'Not stated' means the sources cited do not give the figure.

EXHIBIT 18 The rules are moving

SEC, 30 September 2026	Proposals: a one-month repurchase interval for interval funds beside the present 3, 6 and 12 months; the 5% minimum offer kept; the first offer deferrable for up to two years; a principles-based liquidity test in place of holding 100% of the offer in liquid assets; multiple share classes for all non-traded closed-end funds and BDCs [S45]
SEC, performance fees	Advisers could take performance-based pay from regulated funds, capped at 20% of net gains over a stated period, with board findings [S45]

The SEC proposals are open for comment for 60 days after publication in the Federal Register. They are not final.

WHAT THE PROPOSALS WOULD CHANGE

A monthly repurchase interval would bring interval funds closer to the dealing frequency investors expect of a mutual fund while the assets stay the same. Replacing the rule that a fund hold liquid assets equal to the whole offer with a principles-based test moves the judgement from the rule to the board. Both make file 01's arithmetic more important, not less.

QUESTIONS TO PUT TO THE MANAGER

1. What is the dollar limit on the bid, and how is the stress redemption estimated?
2. At what price does the originator bid, and who checks it?
3. Who are the largest holders, and what share do they own?
4. What happens to the fund's illiquidity test if the bid is withdrawn?
5. For a CLO fund: which tranches, and how much is below AAA?

EXHIBIT 19 The next channel: retirement plans

Department of Labor proposal	A proposed safe harbour for fiduciaries choosing 401(k) investment options, including alternatives, on six factors: performance, fees, liquidity, valuation, benchmarks and complexity. Private assets would be valued at least quarterly through an independent, conflict-free process. Comments closed on 1 June 2026 [S44]
The likely form	Debevoise's reading is that a target-date or balanced fund with a private-asset sleeve is the most credible path, not a stand-alone private fund on a plan menu [S44]
Australian parallel	APRA opened a consultation on 30 September 2026 on trustee investment governance, including member-level limits for higher-risk investments and codified expectations for valuation. Submissions close on 3 February 2027 [S73]

Law-firm summary of the US proposal, dated 6 April 2026 [S44]; APRA's consultation paper [S73]. Both are proposals.

WHAT THE HOLDER KEEPS

- The credit risk of the loans, at marks set by pricing services and fair-value procedures.
- Counterparty risk on the bid, and the bidder's price.
- For the interval route, the cap and proration of file 01.

AUSTRALIAN READ-ACROSS

ASX-listed credit is held in closed-end trusts, where the liquidity cost appears as a discount (page 30). We did not identify an ASX-listed fund that holds private credit under a sponsor's backstop bid in the sources cited. The Capital Group KKR interval fund is a separate vehicle from KKC and is not established here as available to Australian retail investors.

Banks sold €30bn of junior risk on €378bn of loans in 2025; private funds bought most of it

In a synthetic risk transfer the bank keeps the loans and the customers and sells the risk of a junior slice of losses. Its capital requirement falls; the investor earns a premium for standing in the loss position.

€378bn Loans protected in 2025 Up 35% on 2024; EU banks €241bn, up 53% [S48]	€30bn Junior tranches placed in 2025 Up 21%; first-loss and mezzanine [S48]	€905bn Loan pools under protection, end-2025 €717bn a year earlier; €80bn of tranches [S48]	70%+ Of the investor base Multi-strategy managers and specialised funds [S48]
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WHAT IS ENGINEERED

A bank identifies a pool of loans, often several billion euros of corporate or SME lending, and buys protection on a slice of it. In the typical European deal the bank keeps the first 0.5% to 1.5% of losses and sells the next 5.5% to 7.5% [S47].

The investor pays cash for the whole tranche up front. The cash sits as collateral, and the bank draws on it if loans in the pool default. In return the investor receives a premium and the interest on the collateral.

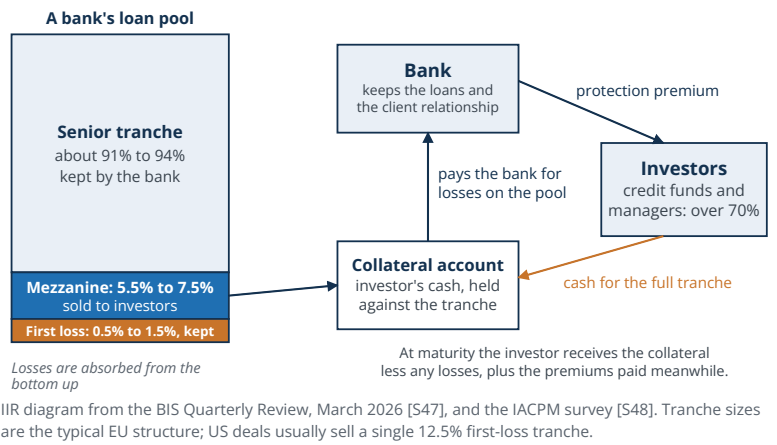
The capital arithmetic drives the trade. Regulators require most capital against the junior slices of a portfolio, so protecting about 7% of a pool can release a large share of the capital held against all of it.

WHY SUPERVISORS ARE WATCHING

Two features draw attention. The investor base is concentrated in private funds, and some of those funds borrow from banks against the notes they hold, so part of the risk can return to the banking system by another door.

And protection has to be renewed: a bank that relies on it needs the market open when capital is scarce. The BIS reports that rollover risk has not materialised to date and that information on the market is limited and fragmented [S47]. Demand exceeded supply in 2025 and spreads fell [S48].

EXHIBIT 20 A European risk-transfer deal: the tranche that is sold, and the cash that stands behind it



IIR READING

This is the clearest case of capital rules creating an asset class. The investor is paid a premium that looks like a high-yield coupon for a risk that behaves like equity in a loan book: nothing is lost in ordinary years and a large share can be lost in a bad one. Falling spreads in 2025 mean the buyer is being paid less for that position.

EXHIBIT 21 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Bank	Capital relief, about 43 basis points of CET1 on average, while keeping the loans and the customers [S47]	A premium paid every year, and reliance on the market to renew the protection
Investor	A premium plus the floating return on collateral, on bank-originated loans it could not otherwise reach	The first losses after a thin retained slice; no market exit before maturity
Bank lending to the investor	Secured lending at haircuts of 40% to 60%, with daily margining [S47]	Indirect exposure to the same kind of risk that another bank has just transferred
Insurer writing protection unfunded	Premium income without posting cash: close to 10% of the market in 2025, from 2% in 2018 [S48]	The bank carries the insurer's credit risk; the insurer carries the tranche

IIR, from the sources numbered.

03

ENGINEERING FILE 03 OF 10 · CONTINUED
BANK RISK TRANSFER

Protection on about 7% of a pool costs the bank about 0.5% of it a year

EXHIBIT 22 Terms as published

Instrument	A credit-linked note or guarantee on a tranche of a loan pool that stays on the bank's balance sheet. Three-quarters of protected tranche volume is transferred without a special-purpose vehicle [S48]
Tranche sold, European Union	A retained first-loss piece of 0.5% to 1.5% and a mezzanine tranche of 5.5% to 7.5% [S47]. The average protected share of the pool in 2025 was about 7.1% [S48]
Tranche sold, United States	Usually two tranches, with a first-loss piece of 12.5% sold [S47]
Return to the investor	The protection premium plus the floating return on the collateral. The BIS's worked example uses a 7% premium [S47]
What the bank gains	About 43 basis points of CET1 capital on average [S47]
Underlying loans	Corporate and SME loans are over 70% of pools; specialised lending rose to 10% in 2025 from 2% [S48]
Investor leverage	Banks lend to investors against the notes at haircuts of 40% to 60%. A BIS footnote estimate puts leverage at around €10bn under stated assumptions; the paper cites anecdotal evidence that leverage remains limited [S47]

BIS Quarterly Review, March 2026 [S47]; IACPM Global SRT Market Overview 2025, June 2026, a survey of more than 800 deals by 62 banks [S48].

EXHIBIT 23 Scale: two survey editions and a supervisory count

MEASURE	2024	2025	SOURCE
Loans newly protected	about €280bn (implied)	€378bn, up 35%	IACPM [S48]
Junior tranches placed	about €25bn (implied)	€30bn, up 21%	IACPM [S48]
Loan pools under protection, year-end	€717bn	€905bn	IACPM [S48]
Tranches outstanding, year-end	about €64bn (implied)	€80bn, up 25%	IACPM [S48]
Tranches placed, earlier survey edition	€21bn on €260bn of loans	—	IACPM, as cited by the BIS [S47]
Protected assets, four jurisdictions	—	about €750bn, about 1.1% of bank assets; reference date not given	Basel Committee, February 2026 [S46]

As reported. 'Implied' is IIR arithmetic from the 2025 figure and its growth rate. The BIS cites the IACPM's earlier edition, so 2024 figures differ between editions. The four jurisdictions are Canada, the euro area, the United Kingdom and the United States.

EXHIBIT 24 The arithmetic of one deal

A €1,000M POOL ON TYPICAL EU TERMS, 2025		€ MILLION
Tranche protected, at the 7.1% EU average share		71
Annual premium at the BIS's illustrative 7%		5.0
Cost to the bank, as a share of the whole pool		about 0.5% a year
Investor's cash at risk		71
Investor's own capital if financed at a 50% haircut		about 36
A 10% loss on the tranche, as a share of that capital		about 20%

IIR illustration from the IACPM's EU average share [S48], the BIS's illustrative premium and the mid-point of its haircut range [S47]. Not a description of any transaction. The collateral return is extra.

EXHIBIT 25 Three risks the BIS identifies

RISK	MECHANISM	EVIDENCE SO FAR
Rollover	Protection has to be renewed as deals mature. A bank that relies on it needs investors to be buying when capital is scarce	Has not materialised to date, according to the BIS [S47]. Demand exceeded supply in 2025 [S48]
Circularity	Banks lend to the funds that buy the notes, at haircuts of 40% to 60%, so part of the transferred risk returns to the banking system	A footnote estimate of about €10bn under stated assumptions; leverage said to remain limited [S47]
Opacity	Deals are private and disclosure is partial. The Basel Committee points to gaps in disclosure and in information on how positions are financed	Information described as limited and fragmented [S46, S47]

BIS Quarterly Review, March 2026 [S47]; Basel Committee, February 2026 [S46]. The BIS puts the US market at about US\$170bn at the end of 2024, 1.4% of bank loans.

WHAT THE HOLDER KEEPS

- The first losses on a pool chosen by the bank, after a thin retained slice.
- No market exit before maturity; valuation by model.
- Margin calls where the position is financed.

QUESTIONS TO PUT TO THE MANAGER

- What share of the fund is in risk-transfer notes, by bank and by loan type?
- How much first loss does each bank retain?
- Is any position financed, at what haircut and by whom?
- Who values the notes, and how often?
- Can the bank replace loans in the pool, and on what tests?

AUSTRALIAN READ-ACROSS

The sources cited report issuance by European and North American banks and do not report Australian bank issuance. Risk-transfer notes are rarely named in a fund's reporting: they sit inside multi-strategy credit funds and specialised bank-capital funds. An Australian holder of a global credit fund may wish to ask the first and third questions.

04

ENGINEERING FILE 04 OF 10
AI INFRASTRUCTURE FINANCE

UNITED STATES

ASSET-BASED FINANCE

One US\$27.3bn bond for one data centre shows how the AI build-out is being financed away from the tenant's balance sheet

Global data-centre spending is estimated at US\$2.9 trillion to 2028, of which about US\$1.5 trillion must be financed outside the technology companies' own cash flow. Beside corporate bonds, the structures now being used are leases, guarantees, project bonds and securitisations.

US\$27.3bn

Beignet Investor project bond

Meta and Blue Owl; one campus [S49]

16 years

Residual value guarantee

On leases that run four years at a time [S49]

US\$61bn

Data-centre ABS and CMBS outstanding

US\$4bn in 2020 [S50]

US\$1.5tn

External finance needed to 2028

Morgan Stanley estimate, cited by the SFA [S50]

WHAT IS ENGINEERED

The tenant wants the capacity without the debt. A venture owned 80% by Blue Owl builds and owns the campus and leases it to Meta in four-year blocks [S49].

The leases alone are far shorter than the bonds. Meta adds a residual value guarantee: for 16 years, if it walks away, it pays enough for the bonds to be repaid. A termination fee covers the last four years.

The bonds are sold as a single-asset project financing rated A+, one notch below Meta itself, at a spread above Meta's own bonds. The result is a security whose credit is close to the tenant's but whose legal form is an infrastructure asset.

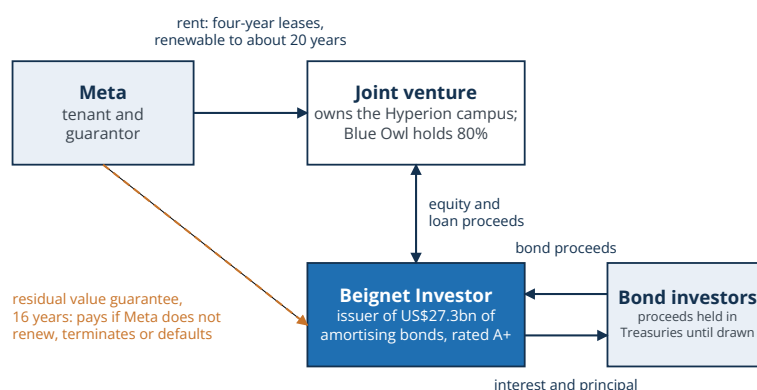
The same analysis notes the tension. The accounting treats renewal as uncertain, which keeps the leases off the balance sheet. The rating depends on the tenant's support, which assumes it will stay.

THE SECURITISED ROUTE

Smaller, multi-tenant portfolios are financed through master trusts that add collateral and issue further notes over time. Data-centre securitisations outstanding have grown from US\$4bn in 2020 to US\$61bn; the average deal is about US\$600m in ABS and US\$1.2bn in CMBS [S50].

Many ABS deals carry an anticipated repayment date that pushes the sponsor to refinance; CMBS deals lean on balloon maturities.

EXHIBIT 26 The Hyperion financing: who owns, who rents, who guarantees



IIR diagram from IFR's analysis of 17 December 2025 [S49]. The final four years of the bond are covered by a termination fee, not by the guarantee. The bond's coupon, maturity and buyers are not given in the source cited.

EXHIBIT 27 The arithmetic of the term mismatch

HYPERION: THE TERMS IN YEARS	YEARS
One lease block, non-cancellable	4
Occupancy if every renewal is taken	about 20
Residual value guarantee	16
Termination fee covers the bond's last	4
Guarantee plus termination-fee period	20
Economic life of the campus	25 to 30
Asset life beyond the supported period	5 to 10

IIR arithmetic on the terms IFR reports [S49]. The years beyond the supported period are the venture equity's exposure, not the bondholders'. Secondary analysis by a named author; the offering memorandum is not public.

IIR READING

This is corporate credit in the legal clothing of infrastructure. It pays more than the tenant's bonds, and the investor accepts structural and legal complexity, a single asset, coverage of 1.12 times and reliance on the tenant performing under its guarantee and termination fee.

EXHIBIT 28 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Tenant	Computing capacity without the debt on its balance sheet; leases it can decline to renew	A 16-year guarantee and a termination fee; the construction risk, on IFR's account; a spread above its own bonds, paid through the rent
Venture equity (Blue Owl, 80%)	Ownership of a campus let to a tenant rated one notch above the bonds, with a 16-year guarantee behind the leases	The residual: the building's value after the guarantee and the leases end
Bondholders	A spread above the tenant's own bonds for credit that depends on the same company	Structural and legal complexity; a single asset; coverage of 1.12 times; reliance on the tenant's guarantee and termination fee

IIR, from IFR [S49]. The returns to the venture's equity are not given in the source cited.

04

ENGINEERING FILE 04 OF 10 · CONTINUED

AI INFRASTRUCTURE FINANCE

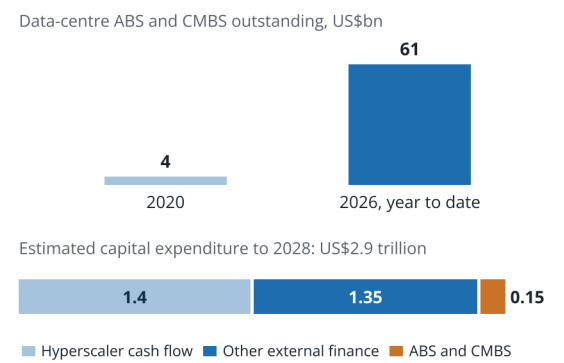
Securitisation has grown fifteen-fold since 2020 and could still supply only about a tenth of the external need

EXHIBIT 29 The Hyperion terms as reported

Deal	A US\$27.3bn Rule 144A project bond issued by Beignet Investor to fund Meta's Hyperion data-centre campus in Louisiana [S49]
Form	Long-dated, fully amortising, single-asset. Investors fund from day one; proceeds sit in Treasuries and are drawn as construction progresses
Ownership	Blue Owl holds 80% of the venture's equity and its formal governance
Leases	Four-year non-cancellable blocks with renewal options that could take occupancy to about 20 years; the campus has an economic life of about 25 to 30 years
Residual value guarantee	Runs 16 years. If Meta does not renew, terminates early or defaults, it pays a guaranteed minimum value sized so that the bonds can be repaid
Rating	S&P A+, one notch below Meta; debt service coverage of 1.12 times once operating
Accounting	Presented as off Meta's balance sheet: the venture is not consolidated because Blue Owl holds the power, and the leases are operating leases because renewal is not 'reasonably certain'

IJR, 17 December 2025 [S49]. Secondary analysis by a named author, not the offering memorandum, which is not public.

EXHIBIT 30 Data-centre finance in two numbers



Structured Finance Association, 23 July 2026, citing Barclays for securitisations outstanding and Morgan Stanley for capital expenditure [S50]. 'Other external finance' is the external need less what the two markets could securitise.

EXHIBIT 31 The arithmetic of the funding gap

DATA-CENTRE CAPITAL EXPENDITURE TO 2028	US\$ TRILLION
Total, Morgan Stanley estimate	2.9
From hyperscalers' own cash flow	1.4
To be financed externally	1.5
Of which securitisation could supply	about 0.15
Securitisation's share of the external need	about 10%

IJR arithmetic on the estimates the SFA reports [S50]. The SFA adds a separate projection: US\$180bn of data-centre bonds outstanding by the end of 2028, about 20% of the esoteric ABS market. That is a stock of bonds, including existing deals, and is not comparable with the financing figure above.

EXHIBIT 32 The securitised route: terms and scale as reported

Outstanding	US\$61bn in 2026 to date, from US\$4bn in 2020 (Barclays, as cited)
Share of its markets	About 12% of esoteric asset-backed securities and about 6% of single-asset, single-borrower CMBS
Average deal	About US\$600m in ABS and US\$1.2bn in CMBS
Structure	Master trusts that add collateral and issue further series. ABS notes carry an anticipated repayment date; CMBS loans carry a balloon maturity
Projection	US\$180bn outstanding by the end of 2028 would be about 20% of esoteric ABS

Structured Finance Association, 23 July 2026 [S50].

WHAT THE HOLDER KEEPS

- Reliance on one tenant performing under a 16-year guarantee and a termination fee.
- Thin coverage, 1.12 times, and a structure that is complex to enforce.
- Concentration: one asset, one tenant, one sector.

QUESTIONS TO PUT TO THE MANAGER

- Who is the tenant, and what is its rating?
- How long is the lease against the debt?
- Who guarantees the gap, for how long and for how much?
- What is the debt service coverage, and on what occupancy?
- For a securitisation: when is the anticipated repayment date, and what happens if it is missed?

AUSTRALIAN READ-ACROSS

The exposure reaches Australian portfolios through investment-grade private credit, asset-based finance and infrastructure debt funds, usually without the tenant being named in the fund's summary. The five questions apply to any data-centre holding, listed or unlisted, here or offshore.

05

ENGINEERING FILE 05 OF 10
SECONDARIES AND RATED FEEDERS

GLOBAL

INSURANCE CAPITAL

REGULATION MOVING

Secondaries reached US\$118bn in a half-year; a rated feeder can cut an insurer's capital charge from 30–45% to 0.7–1%

Two structures repackage existing fund interests without selling the underlying companies. One gives sponsors and their investors liquidity; the other lets insurers hold private funds as bonds. Evergreen funds are now among the largest buyers of the first.

US\$118bn
Secondary volume, first half 2026

A record half; US\$103bn a year earlier [S38]

53%
Sponsor-led share

US\$62bn, up 32% [S38]

91%
Buyout interests, price as % of NAV

Real estate 68%; venture 79% [S38]

0.7–1%
Lowest capital charge on A-rated senior notes

30% to 45% on the fund interest [S40]

CONTINUATION VEHICLES: LIQUIDITY WITHOUT AN EXIT

With company sales and listings slow, sponsors have moved assets from maturing funds into new vehicles they continue to manage. Investors in the old fund choose between cash now and staying in.

The sponsor sits on both sides of the price, which is why pricing data matter: most single-asset deals cleared at the sponsor's own valuation or above it [S39].

The buyers have changed. Evergreen funds need assets that are already invested and already valued, and second-hand interests supply both. Their allocation to secondaries rose to 46% of portfolios from 41% [S38].

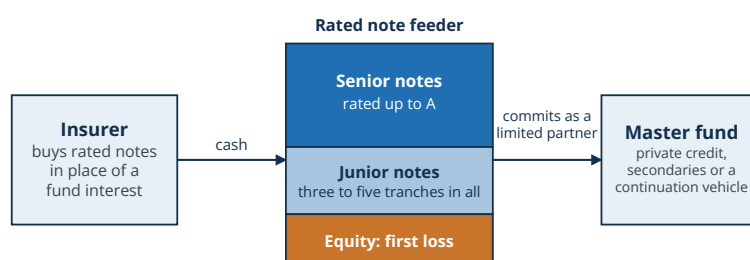
That demand is consistent with prices near net asset value. On these counts, wealth money has become a material source of liquidity for institutional private equity.

RATED FEEDERS: THE SAME FUND AS A BOND

An insurer that buys a fund interest is charged capital as if it held equity. If a vehicle stands between the insurer and the fund, issues notes in several tranches and takes a rating on the senior ones, the insurer can hold most of the same exposure as a bond.

The structure now feeds evergreen credit funds, secondaries funds and continuation vehicles. Dechert describes the horizontal form as highly similar to a collateralised fund obligation [S40].

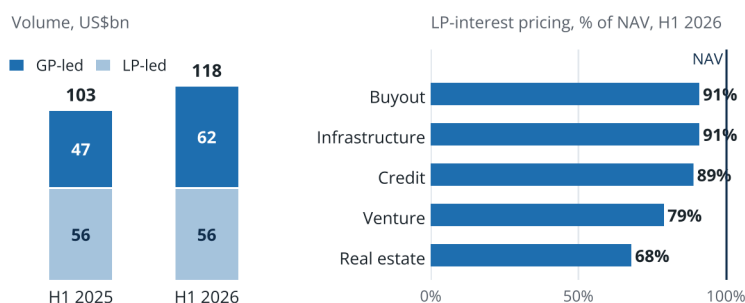
EXHIBIT 33 A rated note feeder: one fund interest, three layers of claim



Insurer's capital charge: as low as 0.7% to 1% on senior notes rated A, against 30% to 45% on a direct interest in the same fund.

IIR diagram from Dechert's market update of 3 August 2026 [S40]. The source gives no standard tranche sizes; the heights are not to scale.

EXHIBIT 34 Secondary market: volume by half-year, and what buyers paid for fund interests



Jefferies, Global Secondary Market Review, July 2026 [S38]. GP-led means sponsor-led; LP-led means sales by fund investors. LP-led volume for the first half of 2025 is the US\$103bn total less US\$47bn of sponsor-led deals.

IIR READING

Both structures make private assets easier to hold without making them easier to sell. The rated feeder is the purer example: the assets, the manager and the cash flows are unchanged and the capital charge on the senior notes can fall by a factor of thirty or more.

EXHIBIT 35 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Investor selling a fund interest	Cash before the fund winds up	A discount: 9% on average for buyout, 32% for real estate [S38]
Sponsor of a continuation vehicle	Keeps managing the asset and returns cash to investors who want it	A price it has itself proposed, to be defended to both sets of investors
Evergreen fund buying	Invested, valued assets at once, and a mark-up where bought below asset value	The seller's valuation as its own carrying value
Insurer in a rated feeder	Private-fund exposure at a bond's capital charge on the rated notes	Subordination below it must hold; the treatment depends on the rating being accepted [S40]

IIR, from the sources numbered.

05

ENGINEERING FILE 05 OF 10 · CONTINUED
SECONDARIES AND RATED FEEDERS

A real estate fund interest bought at 68% of asset value and marked to 100% shows a 47% gain on the day

EXHIBIT 36 Terms and scale as published

Continuation vehicle	A sponsor sells one or more companies from an old fund to a new vehicle it also manages; existing investors roll or sell. Single-asset vehicles were 68% of continuation deals in the first half [S38]
Price	Negotiated against the sponsor's own net asset value. Most single-asset continuation-vehicle volume priced at par to net asset value; 14% priced above it [S39]
Buyers	More than half of secondary buyers now run an evergreen vehicle; secondary firms manage more than US\$130bn in them [S39]
Rated note feeder	A vehicle that issues rated notes and unrated equity and commits to a master fund; the equity takes the first loss. Three to five tranches are common and deals above US\$1bn are frequent [S40]
Why it exists	US insurers' capital charges: as low as 0.7% to 1% on notes rated A, against 30% to 45% on a direct fund interest [S40]
Rule changes	The NAIC's principles-based bond definition took effect on 1 January 2025; its power to set aside a rating took effect on 1 January 2026; a due-diligence framework for rating providers was proposed on 4 May 2026 [S40]

Jefferies and Evercore half-year reviews, July 2026 [S38, S39]; Evercore puts first-half volume at about US\$121bn. Dechert, 3 August 2026 [S40].

EXHIBIT 37 The arithmetic of buying below asset value

FUND INTERESTS, FIRST HALF 2026	PRICE, % OF NAV	GAIN IF MARKED TO NAV ON PURCHASE
Buyout	91%	+9.9%
Infrastructure	91%	+9.9%
Credit	89%	+12.4%
Venture	79%	+26.6%
Real estate	68%	+47.1%

IIR arithmetic on Jefferies' average prices [S38]: 100 divided by the price, less one. It applies where the buyer carries the interest at the seller's net asset value, which PitchBook's analyst describes as common in evergreen funds [S37]. It is a mark, not a realised gain.

Two counts of the same market. Jefferies puts first-half volume at US\$118bn and sponsor-led deals at US\$62bn; Evercore at about US\$121bn and about US\$65bn. Jefferies counts single-asset vehicles as 68% of continuation deals; Evercore puts them at 53% of sponsor-led volume, about US\$34bn and up 88% on a year earlier [S38, S39].

EXHIBIT 38 The arithmetic of the capital charge

AN INSURER WITH US\$100M TO PLACE	CAPITAL CHARGE, US\$M
Direct interest in the fund, at 30% to 45%	30 to 45
The same amount in A-rated senior feeder notes, at as low as 0.7% to 1%	0.7 to 1.0
Capital charge on the direct interest as a multiple of the senior notes'	30 to 64 times

IIR arithmetic on the ranges Dechert reports [S40]. Junior notes and equity carry higher charges. Dechert notes that sponsors often keep some or all of the equity and that in some formats one insurer holds the whole structure. The source gives no standard tranche sizes, so no blended figure is shown.

Where the money comes from. Jefferies estimates US\$290bn of capital dedicated to secondaries and expects the year to exceed US\$260bn after US\$240bn in 2025 [S38]. Evercore finds that 53% of buyers run an evergreen vehicle and that sponsor-led credit deals priced at about 99% of fair value [S39]. On these figures the buyer base is shifting towards perpetual vehicles sold to wealth investors.

WHAT THE HOLDER KEEPS

- A price set against the sponsor's own valuation.
- In a feeder, the fund's risk concentrated in the equity layer, and the timing of capital calls.
- Rule risk: a change in how regulators treat the rating changes the economics.

QUESTIONS TO PUT TO THE MANAGER

1. What share of the portfolio was bought on the secondary market, and at what average price?
2. How much of the reported return is mark-up on purchase?
3. Which holdings are continuation vehicles managed by the seller?
4. Who set the transfer price, and was there a competing bid?
5. For a feeder: who holds the equity, and how thick is it?

AUSTRALIAN READ-ACROSS

ASX gives a public price for the same trade-off. Pengana Private Equity Trust closed August 17.6% below asset value (page 30), a wider discount than the 9% at which buyout interests changed hands privately. The portfolios are not alike, and the comparison is not a view on value. A fund of funds may also hold continuation vehicles; ask how they are valued.

06

ENGINEERING FILE 06 OF 10
CATASTROPHE BONDS

GLOBAL

BERMUDA

PRICING SOFTER

Catastrophe bonds raised a record US\$18.9bn in nine months as the multiple on new issues fell from 2.84 to 2.27

An insurer buys cover against a defined disaster. Investors put up the whole limit in cash before the event, earn a premium on it, and lose principal if the event happens. The structure removes the question of whether the reinsurer can pay.

US\$18.9bn**Issued in nine months of 2026**

A nine-month record; US\$18.6bn a year earlier [S51]

US\$65.5bn**Outstanding at 30 September**

Up 7% from the end of 2025 [S51]

2.27×**Spread as a multiple of expected loss**

Third-quarter issues; down 0.57 in a year [S51]

14**First-time sponsors this year**

Porch Group and Nectaris Re in the third quarter [S51]

WHAT IS ENGINEERED

A conventional reinsurance contract is a promise to pay after a loss. A catastrophe bond funds the promise in advance. The sponsor pays a premium to a special-purpose insurer; investors buy its notes; their cash sits in a collateral account in money market funds for the life of the bond [S51].

If a qualifying event occurs, the account pays the sponsor and investors lose some or all of their principal. If none occurs, they receive the premium, the return on the collateral and their principal.

THE TRIGGER IS THE DESIGN CHOICE

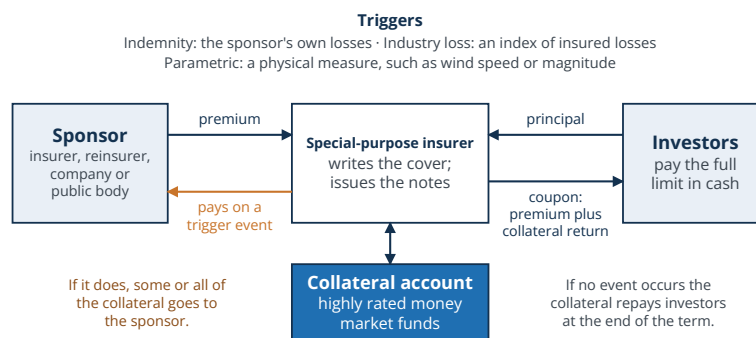
An indemnity trigger pays on the sponsor's actual losses, so the sponsor's recovery matches its own loss and the investor depends on the sponsor's claims handling. An industry-loss trigger pays on a published estimate of insured losses across the market. A parametric trigger pays on a physical reading.

The sponsor's protection is closest with the first and the investor's information is best with the last. Indemnity triggers were 81% of first-half risk capital.

A WIDER SPONSOR BASE

Fourteen sponsors have come to the market for the first time this year, two of them in the third quarter. Sponsors are not only insurers: the Los Angeles Department of Water and Power, a public utility, placed US\$100m of California wildfire cover in the quarter, its fourth such transaction.

EXHIBIT 39 A catastrophe bond: cash in advance, held apart from the sponsor



IIR diagram from Artemis's description [S51]. The split of losses is set by each deal's attachment and exhaustion points.

IIR READING

This is the one structure in the issue whose losses are set by a physical event and not by credit or equity markets: the collateral is cash and the trigger is a catastrophe. The counterweight is price: the multiple on third-quarter issues was about a fifth lower than a year earlier, and the expected loss is itself a model output.

EXHIBIT 40 Third-quarter 2026 transactions named by Artemis

SPONSOR AND VEHICLE	US\$M	NOTE
Swiss Re, Matterhorn Re	345	
Hannover Re, 3264 Re	200	
Los Angeles DWP, 123 Lights Re	100	California wildfire; its fourth
Porch Group, Harbor Crest Re	100	First-time sponsor
Nectaris Re, Tranquil Re	75	First-time sponsor
Five named, of US\$948m in ten deals	820	

Artemis, third-quarter 2026 report [S51]; total by IIR.

EXHIBIT 41 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Sponsor	Cover that is funded in advance and held apart, so it does not depend on a reinsurer's ability to pay	A premium; and, with an industry-loss or parametric trigger, a payout that may not match its own losses
Investor	The sponsor's premium plus the return on cash collateral, for a risk largely unrelated to financial markets	Loss of some or all principal if the event occurs; a price that has fallen as capital has arrived
Corporate and public-body sponsors	Capital-market capacity for perils such as wildfire	The cost and disclosure of a capital-markets transaction

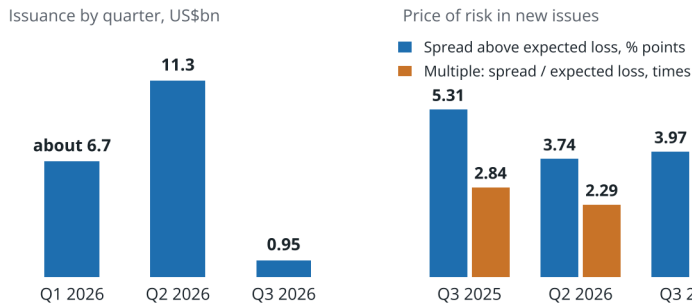
IIR, from Artemis [S51].

06

ENGINEERING FILE 06 OF 10 · CONTINUED
CATASTROPHE BONDS

Reported cat-bond pricing softened; the quarterly spread and loss estimates below depend on an unverified weighting assumption

EXHIBIT 42 Issuance by quarter, and the price of risk in new issues



Artemis quarterly and first-half reports [S51]. Q1 issuance is the nine-month total less Q2 and Q3. The pricing chart uses the source-reported multiple; it does not establish a ratio of consistently weighted quarterly averages.

EXHIBIT 43 The arithmetic of the multiple

ISSUES OF	SPREAD ABOVE EXPECTED LOSS, POINTS	MULTIPLE, TIMES	EXPECTED LOSS, %	SPREAD, %
Third quarter 2025	5.31	2.84 (derived)	2.89 implied	8.20 implied
Second quarter 2026	3.74	2.29	2.90 implied	6.64 implied
Third quarter 2026	3.97	2.27	3.13 implied	7.10 implied
Nine months 2026, as reported	3.98	2.40	2.85 reported	6.83 reported

Artemis [S51]. The 2025 multiple is $2.27 + 0.57$. The implied quarterly columns are conditional IIR calculations: excess spread / (multiple - 1), then multiply by the multiple. They require compatible weights and a ratio of weighted averages, which are not established. They are not verified quarterly averages. Nine-month reported averages are separate. Q3: ten deals, about 5% of nine-month issuance.

MORE CAPITAL, LOWER PRICE

The second quarter was the largest ever at US\$11.3bn, and the year needs US\$6.7bn in the fourth quarter to pass the 2025 record of US\$25.6bn. Artemis describes a continued softening of risk spreads [S51].

Exhibit 43 is conditional arithmetic. Compatible weights would imply Q3 spread of 8.2% then 7.1%, and loss of 2.9% then 3.1%. The weighting basis is unconfirmed: these are not established changes in like-for-like risk. Artemis separately reports nine-month loss of 2.85% and spread of 6.83%.

THE LARGER NEIGHBOUR: LIFE AND ANNUITY REINSURANCE

Bermuda's long-term insurers manage more than US\$1.5 trillion of assets for about 90 million policyholders, with 82% of ceded business from the United States. The Bermuda Monetary Authority applied a prudent person principle and wider disclosure from January 2026, and US state regulators are considering tougher capital for some offshore life reinsurance [S52]. Transaction terms are private, so it is not treated as a file here.

EXHIBIT 44 Terms as published

Structure	The sponsor enters a reinsurance agreement with a special-purpose insurer, which issues notes to investors [S51]
Collateral	Investors' principal is held in a collateral account, typically in highly rated money market funds
Coupon	The return on the collateral plus the premium the sponsor pays. The collateral return floats with short-term rates
Trigger	Indemnity, industry loss or parametric; per occurrence or in aggregate. Indemnity triggers were 81% of first-half risk capital
Third-quarter pricing	Spreads of 2.5% to 22.5% on expected losses of 1.08% to 7.19%. Average spread above expected loss 3.97 points; average multiple 2.27 times
Third-quarter issuance	US\$948m in 10 deals: industry-loss US\$720m, indemnity US\$125.5m, private deals US\$102.4m
First half	US\$17.98bn in 83 transactions, against 72 a year earlier; May was a record month at US\$6.93bn; 12 first-time sponsors

Artemis [S51]. Expected loss is the modelled annual loss to the notes as a share of principal.

WHAT THE HOLDER KEEPS

- Loss of principal from a single event, with no recovery.
- Model error in the expected loss.
- Collateral that can be held back after an event while losses are settled.

QUESTIONS TO PUT TO THE MANAGER

1. Which perils and regions, and what share is US wind?
2. What share is indemnity, industry-loss and parametric?
3. Whose model produced the expected loss?
4. What is the collateral invested in?
5. What share of the fund is in private deals, and how are they valued?

AUSTRALIAN READ-ACROSS

No vehicle in IIR's register of 94 ASX-listed investment companies and trusts holds catastrophe bonds as its strategy. Access is through global insurance-linked funds, which we did not review for this issue. About 11% of third-quarter issuance was in private form [S51], which is harder to value than a traded bond.

A US\$195bn note market is being rebuilt in ETF form: one fund tracks 52 autocallables, laddered weekly, through a single swap

Autocallables were more than 43% of US structured-note issuance in 2025. The payoff has been rebuilt as an index of laddered contracts that an ETF can track, which removes the single entry date and adds a swap counterparty.

US\$195bn+ US structured-note issuance, 2025 Autocallables were more than 43% [S56]	US\$300bn+ Derivative-based ETF assets US\$50bn of inflows in 2026 to early July [S53]	14.20% CAIE weighted average coupon 9 October 2026; barriers at -40% [S54]	-0.10% CAIE 30-day SEC yield 31 August 2026; distribution rate 14.17% [S54]
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WHAT IS ENGINEERED

An autocallable pays a conditional coupon at or above its coupon barrier on an observation date. It may be called at the call level. If it matures uncalled below its protection barrier, the holder takes the index's full fall, not just the amount below the barrier. [S20].

A single note therefore depends heavily on the day it was bought. The ETF version removes that dependence by holding many.

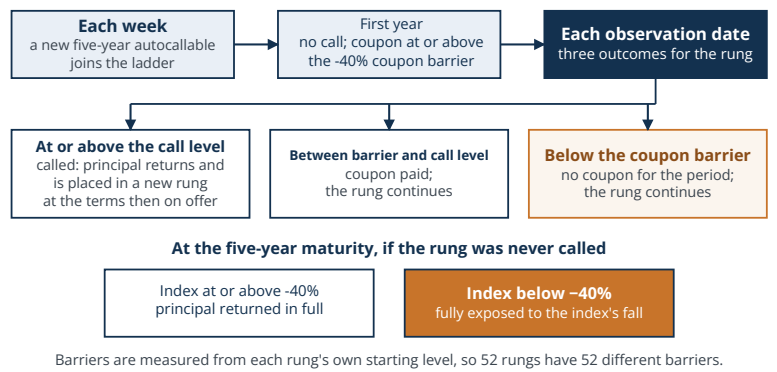
The Calamos fund tracks an index of 52 autocallables, one started each week, each with a five-year maturity, a one-year period in which it cannot be called and barriers 40% below its own starting level. The fund does not buy 52 notes. It receives the index's return through a total return swap with J.P. Morgan [S54].

TWO DETAILS THAT ARE EASY TO MISS

The reference is a volatility-targeted index and not the S&P 500 itself. Such an index reduces its exposure when markets are turbulent and may not participate fully in a rebound [S20].

And the distribution is not interest. At 31 August the fund's distribution rate was 14.17% and its 30-day SEC yield was -0.10%; part of the distribution is classed as a return of capital [S54].

EXHIBIT 45 One rung of the ladder: what happens at each observation date and at maturity



IIR diagram from Calamos's product documents [S20, S54]. The call level and observation schedule are not stated on the pages cited. Terms are those of CAIE; other funds differ.

IIR READING

The holder has sold insurance against a large fall in an equity index and is paid a coupon for it. Laddering spreads the entry dates; it does not change what was sold.

In a slow decline, rungs stop being called, coupons stop on those below their barriers, and the fund behaves increasingly like the index. A coupon of this kind belongs beside equity risk, not beside a bond yield.

EXHIBIT 46 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Holder	A monthly distribution funded by conditional coupons; daily dealing; no single entry date	The index's fall below the barrier; coupons that can stop; part of each distribution may be a return of capital
ETF sponsor	A fee of 0.74% after waiver on US\$1.4bn of net assets [S54]	The task of explaining a conditional payoff to a mass audience
Swap counterparty	The other side of a total return swap on the index	Owes the fund the swap's value, 2.0% of the fund on 8 October [S54]
Index provider	Sets and calculates the ladder the fund tracks	The method sits outside the fund's own pages; the holder relies on it without seeing it there

IIR, from the Calamos product page and fact sheets [S54].

07

ENGINEERING FILE 07 OF 10 · CONTINUED
OPTION-ENGINEERED ETFs AND NOTES

Issuers are varying the terms: fixed coupons, worst-of baskets and single shares, all within sixteen months of the first Calamos fund

EXHIBIT 47 The family: published terms of the main autocallable and buffer funds

FUND	LISTED	REFERENCE	COUPON AND BARRIER TERMS AS PUBLISHED	SOURCE
Calamos Autocallable Income ETF (CAIE)	US, June 2025	A volatility-targeted US large-cap index	52 rungs; weighted average coupon 14.20% at 9 October 2026; coupon and maturity barriers –40%; net assets US\$1.4bn; fee 0.74% after waiver	S54
Calamos Nasdaq Autocallable Income ETF (CAIQ)	US, November 2025	A volatility-targeted Nasdaq-100 index	52 rungs; weighted average coupon 17.69% at 30 June 2026; barriers –30%	S54
FT Vest Laddered Autocallable Buffer & Resilient Income ETF (ACYB)	US, 7 October 2026	Worst of the S&P 500, Nasdaq-100 and Russell 2000	Fixed coupons that do not depend on a barrier; a maturity buffer of typically 10% to 15%; synthetic autocallables built from swaps and options, with Treasury bills and box spreads held alongside	S55
BMO Strategic Autocallable Income US Large Cap ETF (ZACU)	Toronto, 24 September 2026	Single large US shares	Autocallable derivatives on individual shares; offered as an alternative mutual fund	S58
Calamos Autocallable Income UCITS ETF	Xetra and London, April 2026	As CAIE: the same index	52+ rungs staggered weekly; coupon and maturity barriers –40%; five-year rungs; fee 0.74%; J.P. Morgan as primary swap counterparty	S15
Innovator defined-outcome ETFs	US; 171 funds	Equity indices through FLEX options	One-year outcome period; cap reset each period; buffers of 9%, 15% or 30%. A buyer part-way through gets a different outcome	S22, S57

Issuer documents and releases as numbered. Coupons are index statistics at the date shown and are not a promised fund return.

EXHIBIT 48 The arithmetic of one fund

CAIE, FROM ITS PRODUCT PAGE	FIGURE
Autocallables in the ladder	52
Share of the fund in each, if equally weighted	about 1.9%
Barrier below each rung's starting level	40%
Loss if one rung matures 41% down	about 0.8% of NAV
Weighted average coupon of the index, 9 October 2026	14.20%
Distribution rate, 31 August 2026	14.17%
30-day SEC yield, 31 August 2026	–0.10%
Swap with J.P. Morgan, share of the fund, 8 October 2026	2.0%

Calamos [S54], dated 8/9 October and 31 August. IIR illustration assumes equal weights: a 41% index fall on one rung is $41\% / 52 = 0.7885\%$ of starting NAV, about 0.8%, before coupons, fees and weight changes. Loss applies below the protection barrier; the exact barrier returns principal.

WHY THE MARKET IS GROWING

Derivative-based ETFs passed US\$300bn of assets in mid-2026. Buffer funds had taken more than US\$7bn in 2026 to early July and autocallable ETFs had passed US\$2.5bn [S53]. The ETF form gives daily dealing, small tickets and no single note issuer.

First Trust's fund of 7 October pays fixed coupons that do not depend on a barrier and uses the worst of three indices; BMO's Canadian fund writes autocallables on single shares [S55, S58]. Each variation changes who bears what: a worst-of basket makes the weakest index decide the outcome.

Goldman Sachs completed its purchase of Innovator, a buffer-fund issuer with 171 ETFs and about US\$31bn, for about US\$2bn in April [S57]. A large structured-note issuer now owns a manufacturer of the ETF equivalents.

WHAT THE HOLDER KEEPS

- The index's full fall on any rung that matures below its barrier.
- Coupons that stop when the index is below the barrier.
- Swap counterparty exposure, and an index methodology that sits outside the fund's own documents.

QUESTIONS TO PUT TO THE ISSUER

1. What is the reference index, and is it volatility-targeted?
2. Where are the coupon and maturity barriers, and what is the call level?
3. How many rungs are below their starting level today?
4. How much of the last year's distribution was return of capital?
5. Who is the swap counterparty, and how is the exposure collateralised?

AUSTRALIAN READ-ACROSS

None of the funds in the exhibit is established here as available to Australian retail investors; an overseas listing does not establish access. The five questions apply to any local structured product or option-income fund that quotes a distribution rate.

08

ENGINEERING FILE 08 OF 10
HEDGE-FUND TECHNIQUES IN RETAIL FUNDS

UNITED STATES

INDIA

AUSTRALIA

India's long-short funds more than doubled in three months; a 'return stacked' ETF carries US\$2 of exposure per US\$1

Leverage, shorting and futures overlays used to need a hedge-fund mandate. Regulators and ETF sponsors are now putting them inside funds sold to the public, with limits written into the rules or the prospectus.

Rs 31,175 cr

Indian SIF net assets, 31 August 2026
33 schemes; 125,539 investor accounts [S60]

25%

Limit on unhedged short exposure
Of net assets, through derivatives [S60]

US\$1bn

Raised by the Return Stacked suite
Seven funds from February 2023 to December 2025 [S59]

US\$2

Exposure per US\$1 in RSST
US\$1 of US equities and US\$1 of managed futures [S83]

RETURN STACKING: CAPITAL EFFICIENCY IN AN ETF

A futures contract gives exposure to an index for a margin deposit that is a fraction of its face value. A fund can therefore hold a full equity portfolio and still have the cash to carry a second strategy in futures.

The Return Stacked funds do this by rule. One holds a dollar of US equities and a dollar of a managed-futures programme for each dollar invested; others stack Treasury futures, or gold and bitcoin, on equities [S59]. That fund, RSST, had net assets of US\$603m on 9 October 2026 and an expense ratio of 0.99% [S83].

The appeal is that an allocator can add a diversifier without selling equities to fund it. The cost is that both layers can fall together, and the fund then loses on two dollars of exposure with one dollar of capital.

INDIA: A NEW TIER OF FUND

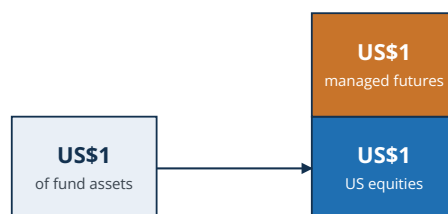
The Securities and Exchange Board of India's Specialised Investment Fund may run long-short strategies, with unhedged short exposure through derivatives of up to 25% of net assets. The minimum is Rs 10 lakh per investor, with accredited investors exempt. Dealing can be daily or less frequent, with notice of up to 15 working days [S60].

Assets were Rs 31,175 crore across 33 schemes at 31 August, up from Rs 23,177 crore a month earlier. The category is new and concentrated, and its record covers one market environment.

EXHIBIT 49 Return stacking: two exposures carried on one dollar of capital

What the investor pays

What the fund holds exposure to



The second dollar is held through futures, which need only a margin deposit.

The holder carries the gains and losses of both layers, and the cost of financing embedded in the futures.

Return Stacked U.S. Stocks & Managed Futures ETF (RSST), as described by its sponsor.

IIR diagram from the sponsor's fund page [S83]. The fund holds its managed-futures exposure through futures, which need only a fraction of their notional value as margin.

EXHIBIT 50 The arithmetic of a stacked fund: four combinations

EQUITIES	MANAGED FUTURES	STACKED FUND, BEFORE COSTS
+10%	+5%	+15%
+10%	-5%	+5%
-10%	+5%	-5%
-10%	-5%	-15%

IIR illustration of the stated exposure [S83]. Round numbers to show the addition; not a forecast, a back-test or the fund's record.

IIR READING

These are the least exotic structures in the issue and the easiest to misread. The leverage is disclosed in the name and in the fund's documents. The test is behavioural. A stacked fund will at times lose more than the equity market, and a long-short fund will at times lag a rising one.

EXHIBIT 51 Three routes by which hedge-fund techniques reach a wider investor base

	OVERLAY ETF	REGULATED LONG-SHORT FUND	ACCESS VEHICLE TO HEDGE FUNDS
Example	Return Stacked suite, United States: seven funds since February 2023	Specialised Investment Funds, India: 33 schemes	Antarctica Select Hedge Fund Portfolio, offered in Australian dollars through Longreach from March 2026
Technique	Futures on top of a fully invested portfolio: equities plus managed futures; equities plus Treasury futures; gold and bitcoin	Long and short positions; unhedged short exposure through derivatives of up to 25% of net assets	A portfolio of external hedge funds
Scale	US\$1bn raised to December 2025 [S59]	Rs 31,175 crore at 31 August 2026, from more than Rs 13,500 crore at 31 May [S60]	Not stated in the source cited
Who may buy	Any ETF investor	Minimum Rs 10 lakh per investor; accredited investors exempt	Not established here [S18]
Exit	On exchange, daily	From daily to less often, with notice of up to 15 working days	Quarterly on 95 days' notice; a 25% gate at the underlying portfolio
Where the leverage sits	Inside the fund: US\$2 of exposure per US\$1 in the fund illustrated	Inside the fund, within the regulator's limits	Inside the underlying hedge funds

Sources as numbered. Rs 1 crore is ten million rupees; Rs 1 lakh is one hundred thousand. Indian figures are industry-body data as reported by Kalkine and the Press Trust of India.

08

ENGINEERING FILE 08 OF 10 · CONTINUED
HEDGE-FUND TECHNIQUES IN RETAIL FUNDS

On ASX the same family of strategies traded from 23.4% below to 10.7% above asset value at 31 August

EXHIBIT 52 ASX-listed multi-strategy and long-short vehicles in IIR's screen, 31 August 2026

VEHICLE	MARKET CAP, A\$M	PRICE / ASSET VALUE AND BASIS	PREMIUM OR DISCOUNT	REVIEWED
LSF L1 Long Short Fund	3,142	\$4.950 / \$4.5139 Pre	+9.7%	No
GLS L1 Global Long Short Fund	1,161	\$2.120 / \$1.9147 Pre	+10.7%	No
RF1 Regal Investment Fund	757	\$3.640 / \$3.5700 NAV	+2.0%	Yes
RG1 Regal Partners Global Investments	596	\$2.570 / \$2.8600 Post*	-10.1%	No
RG8 Regal Asian Investment	365	\$2.600 / \$3.0300 Post*	-14.2%	No
TGF Tribeca Global Natural Resources	211	\$2.860 / \$3.7356 Pre	-23.4%	No
WMA WAM Alternative Assets	195	\$0.990 / \$1.1886 Pre	-16.7%	Yes
AIQ Alternative Investment Trust	83	\$1.390 / \$1.5282 NAV	-9.0%	No

IIR, LMI Monthly Update, edition of 3 October 2026 [S79]. Register data: price and the asset value the register prints for the same date, on the basis shown (NAV; Pre or Post: pre-tax or post-tax NTA). Post* is post-tax NTA excluding deferred tax on unrealised positions, which is not a fully tax-adjusted value. Bases differ, so the column is not a like-for-like ranking. Eight vehicles with A\$6.5bn of capitalisation; two were reviewed for this issue.

What the ASX table shows. The eight vehicles use related techniques: long and short equity positions, multiple strategies, or unlisted alternatives. On one day the register showed two of them above asset value by about 10% and three below it by more than 14%. The asset-value bases differ, which limits comparison, but the direction of the finding does not depend on the basis.

EXHIBIT 53 The arithmetic of a new market

INDIAN SIFS	FIGURE
Net assets, 31 May 2026	above Rs 13,500 crore
Net assets, 31 July 2026; 30 schemes	Rs 23,177 crore
Net assets, 31 August 2026	Rs 31,175 crore
Schemes	33
Investor accounts	125,539
Average per scheme	about Rs 945 crore
Average per account	about Rs 24.8 lakh
Minimum per investor	Rs 10 lakh
Hybrid long-short funds' share of assets	63%

Association of Mutual Funds in India data as reported [S60]; averages are IIR arithmetic on the August figures. Rs 1 crore is 100 lakh.

Why it matters for the new wrappers. An overlay ETF and an Indian SIF deal at or near asset value. A listed company or trust does not: its holder takes the strategy's return and then the market's view of the vehicle. On the register's figures that second layer ranged from 23% below to 11% above asset value on one day.

WHAT THE HOLDER KEEPS

- Losses on both layers of a stacked fund at once.
- Short positions whose losses are not capped by the price paid.
- Manager skill as the main source of return, without a long record in the new wrappers.

QUESTIONS TO PUT TO THE MANAGER

1. What is the gross exposure per dollar invested, and the limit?
2. What did the fund return in its worst quarter, against equities?
3. How correlated have the layers been when equities fell?
4. What are the notice period and the gate, at every level of the structure?
5. For a listed vehicle: what is the premium or discount, and on which asset-value basis?

AUSTRALIAN READ-ACROSS

Australia already holds this exposure in listed companies and trusts. The table shows the consequence of the listed form: the market, not the manager, sets the exit price, and on the register's figures it ranged from a discount above 20% to a premium near 11% on the same day. Regal Investment Fund held 63% of net assets in non-listed positions at 31 August [S79]. The offshore funds in this file are not established here as available to Australian retail investors.

09

ENGINEERING FILE 09 OF 10
TOKENISED FUNDS AND COLLATERAL

UNITED STATES

EUROPE

AUSTRALIA: WHOLESALE PILOTS

Tokenised Treasury products hold US\$14.9bn; the new use is as collateral, and US derivatives staff have begun to issue guidance on it

The asset is the most conventional in this issue. What is engineered is the register: units recorded on a blockchain can be transferred and pledged outside market hours. The yield comes from Treasury bills; the innovation is in settlement.

US\$14.86bn Tokenised Treasury products 12 October 2026; down 5.83% in 30 days [S61]	46% Held in the three largest USYC, USDY and BUIDL; IIR arithmetic [S61]	Aaa-mf Moody's assessment BlackRock BUIDL and Fidelity International FILQ, May 2026 [S62]	20 Use cases tested in Project Acacia RBA and DFCRC, wholesale markets [S64]
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WHAT IS ENGINEERED

A tokenised money market fund holds the same Treasury bills as any other and strikes the same daily net asset value. The difference is the unit register.

In place of a transfer agent's database, ownership is recorded on a blockchain, so a unit can pass from one holder to another, or to a collateral account, at any hour and without a dealing cut-off. Custody, administration and valuation stay with the usual providers [S62].

WHY COLLATERAL IS THE FIRST REAL USE

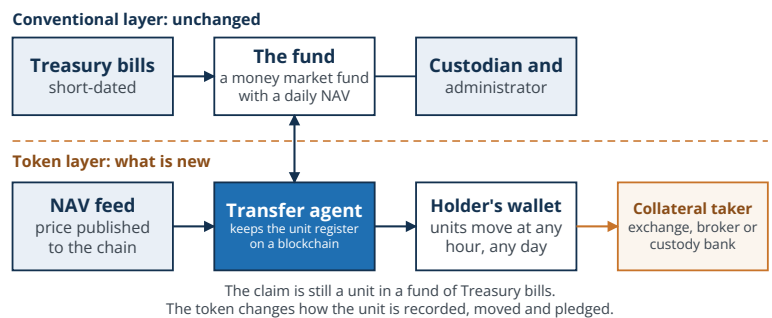
A trading firm that posts cash as margin may earn little on it and cannot move it when the payment system is closed. A tokenised fund unit earns the Treasury yield and can be moved at the weekend. The April framework between BlackRock, Standard Chartered and a digital-asset exchange is built on that [S31].

FROM TOLERANCE TO GUIDANCE

The US Commodity Futures Trading Commission's staff released FAQs on 20 March 2026 and updated them on 24 September to cover customer funds held in tokenised forms of permitted investments; earlier staff letters cover tokenised collateral [S63]. This is staff guidance, not a rule. Moody's now assesses tokenised funds on its money market fund scale.

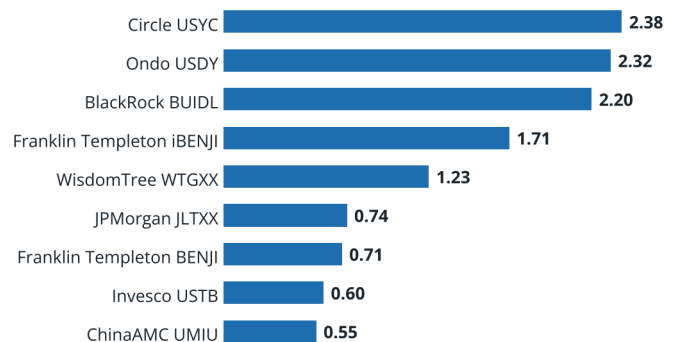
Growth has paused: the total fell 5.8% in the 30 days to 12 October [S61]. The legal questions remain open in the documents reviewed for this issue: what the holder owns if the chain record and the fund's own records differ, and what a collateral taker can enforce in an insolvency.

EXHIBIT 54 A tokenised fund: the fund is unchanged; the register and the uses are new



IIR diagram from the service-provider arrangements reported for FILQ and BUIDL [S62] and the collateral framework of April 2026 [S31].

EXHIBIT 55 Largest tokenised Treasury products, US\$ billion, 12 October 2026



RWA.xyz dashboard, accessed 12 October 2026 [S61]. A live dashboard; figures change daily. Products include funds and notes.

EXHIBIT 56 Who is on each side, and why

PARTY	WHAT IT GETS	WHAT IT GIVES UP OR TAKES ON
Fund sponsor	A new distribution channel and a new use for an existing money market strategy	Reliance on a token platform and a transfer agent outside the usual fund infrastructure
Holder, typically a trading firm	Treasury yield on balances that can be moved and pledged at any hour	Operational and legal risk in the token layer, on top of the fund's ordinary risks
Collateral taker	Yield-bearing collateral that settles outside banking hours [S31]	A claim whose enforceability in an insolvency is not settled in the documents reviewed

IIR, from the sources numbered.

09

ENGINEERING FILE 09 OF 10 · CONTINUED
TOKENISED FUNDS AND COLLATERAL

Holdings are concentrated: three products hold 46% of the market, and the mean holding is about US\$172,000

EXHIBIT 57 What changes, and what does not

ELEMENT	CONVENTIONAL MONEY MARKET FUND	TOKENISED FUND
Assets	Short-dated Treasury securities	The same
Net asset value	Struck daily	The same; for FILQ it is also published on chain [S62]
Custody and administration	A bank custodian and an administrator	The same: J.P. Morgan for FILQ
Unit register	The transfer agent's own records	A blockchain record kept by a transfer agent: Securitize for BUIDL, Apex for FILQ
Transfer between holders	Through the transfer agent, in business hours	On chain, at any hour
Dealing with the fund	Subscription and redemption on the fund's terms	Set by each fund's terms; not covered here
Use as collateral	Possible, through custody and settlement systems	Posted directly; one framework live from April 2026 [S31]
Credit assessment	A money market fund rating	The same scale: Aaa-mf for two funds [S62]

IIR summary from the arrangements reported for BUIDL and FILQ [S62] and the collateral framework [S31]. The middle column describes a conventional fund in general terms.

EXHIBIT 58 Terms and arrangements as published

The assets	Short-dated US Treasury securities. The seven-day yield across the products tracked was 3.55% on 12 October 2026 [S61]
Market size	US\$14.86bn in 117 products with 86,284 holders, down 5.83% in 30 days [S61]. The market passed US\$15bn in May, from about US\$1bn two years earlier [S62]
Service providers	Fidelity International's fund: J.P. Morgan as custodian and administrator, Apex as transfer agent, net asset value published on chain through Chainlink. BlackRock's BUIDL: Securitize as transfer agent [S62]
Credit assessment	Moody's assigned Aaa-mf to both funds in May 2026, the scale it applies to conventional money market funds [S62]
Use as collateral	A framework of 28 April 2026 lets institutional clients of one exchange post BUIDL as trading collateral, held in custody at Standard Chartered [S31]
US regulation	On 24 September 2026 CFTC staff updated FAQs first released on 20 March to address customer funds invested in tokenised forms of permitted investments and blockchain record-keeping. Earlier staff letters cover tokenised collateral and digital assets as margin. None of this is a rule [S63]

EXHIBIT 59 The arithmetic of the market

TOKENISED TREASURY PRODUCTS, 12 OCTOBER 2026	FIGURE
Total	US\$14.86bn
Three largest: USYC, USDY and BUIDL	US\$6.91bn
Three largest as a share of the total	46%
Nine largest	US\$12.44bn
Nine largest as a share of the total	84%
Holders	86,284
Mean holding per holder	about US\$172,000
Yield on US\$100m of margin held in such a fund, at 3.55%	about US\$3.6m a year

RWA.xyz dashboard figures of 12 October 2026 [S61]; shares, the average and the last row are IIR arithmetic. The last row applies the dashboard's seven-day yield to a round sum and is not a quoted rate.

IIR READING

Tokenisation here is plumbing, and it is being adopted where plumbing has a price: collateral that would otherwise sit idle. It does not create yield, an inflation link or liquidity in an illiquid asset. Claims that it will do the last for private funds are not supported by any source reviewed for this issue.

WHAT THE HOLDER KEEPS

- The fund's ordinary risks: rates, and the US dollar for an Australian holder.
- Operational and legal risk in the token layer.
- When the unit is pledged, the risk of the position it supports.

QUESTIONS TO PUT TO THE ISSUER

1. Which record prevails if the chain and the fund's register differ?
2. Who is the transfer agent, and under which law is the fund constituted?
3. Who may hold the token, and can a transfer be reversed?
4. What can a collateral taker enforce if the platform fails?
5. What are the dealing and redemption terms with the fund itself?

AUSTRALIAN READ-ACROSS

The Reserve Bank of Australia and the Digital Finance CRC reported on Project Acacia on 18 May 2026: 20 wholesale use cases, settled in central bank balances, a pilot wholesale digital currency, tokenised deposits and stablecoins. The RBA will consult on settlement infrastructure and account access [S64]. This is wholesale market design, not a retail product, and none of the products in this file is established here as available to Australian retail investors.

10

ENGINEERING FILE 10 OF 10
RETAIL WRAPPERS, BY JURISDICTION

NINE JURISDICTIONS

RULES MOVING IN FIVE

Nine jurisdictions, two models: list the fund and offer no redemption, or keep it unlisted and ration the exit

Every regime that admits ordinary investors to illiquid assets has to decide how they leave. The answers differ in frequency, cap and notice, and they fall into two families. Seven of the nine have a purpose-built wrapper or have proposed one; Australia and Canada rely on general fund rules.

€34bn European ELTIFs, end of 2025 Up 55%; 113 launches in the year [S65]	£7.5bn UK Long-Term Asset Funds From £5bn in under a year [S72]	1 month Shortest US repurchase interval proposed Beside 3, 6 and 12 months; SEC, 30 September [S45]	90 days UK minimum notice LTAFs now; proposed for other illiquid retail funds [S72, S82]
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EXHIBIT 60 How nine jurisdictions let a retail investor into illiquid assets, and out again

JURISDICTION	WRAPPER AND STATUS	EXIT TERMS WRITTEN INTO THE RULE OR THE OFFER	SCALE OR STAGE	SRC
United States	Interval and tender-offer funds; non-traded BDCs and REITs. SEC proposals of 30 September 2026	Interval funds: repurchase offers at NAV every 3, 6 or 12 months, at least 5% each; pro rata if oversubscribed. Proposed: a one-month interval, and a principles-based liquidity test	US\$607bn in 567 evergreen funds; 314 interval and tender-offer funds, 55 more in registration	S33, S34, S45
European Union	ELTIF 2.0, in force January 2024; technical standards from 26 October 2024	Open-ended ELTIFs must match dealing frequency to liquid assets: quarterly dealing needs at least 20% in liquid assets, of which no more than 50% may be paid out (facing page)	At least €34bn at the end of 2025, up 55%; 113 launches in 2025	S65, S66
United Kingdom	Long-Term Asset Fund; eligible for stocks and shares ISAs from 6 April 2026	Redemption no more often than monthly, on at least 90 days' notice. The FCA proposed on 8 October a 90-day minimum for other retail funds that are at least half illiquid	£7.5bn, from £5bn in under a year	S72, S82
Hong Kong	Listed closed-ended fund; a first real estate private debt fund filed on 2 October 2026	No redemption right; the holder sells on the exchange	Illustrative portfolio HK\$2.29bn; size and price not yet disclosed	S67
Singapore	Long-term Investment Fund, proposed by the Monetary Authority in March 2025	Proposed: direct funds to redeem at least yearly and pay within 90 days; funds of funds to offer at least 10% of assets a year	Consultation closed 26 May 2025; final rules not located	S68
Korea	Business development company; law effective 17 March 2026	Listed on KOSDAQ, with a life of five years or more; at least 60% in unlisted and venture companies and 10% in safe assets; the manager co-invests 5% of the first KRW 60bn	One fund launched by 10 September 2026	S69
India	Specialised Investment Fund	Dealing from daily to less often; notice of up to 15 working days; minimum Rs 10 lakh	Rs 31,175 crore in 33 schemes	S60
Canada	Investment funds generally	Securities regulators proposed binding liquidity-risk rules in November 2025 (law-firm summary)	Proposal	S74
Australia	No dedicated wrapper: a registered scheme with terms set in its constitution, or a listed trust	Unlisted: set fund by fund, for example 5% of units a quarter. Listed: sale on ASX. Government has said schemes will have to notify ASIC when they freeze or limit redemptions; legislation not released	ASIC principles, September 2026; FSC Standard No. 30 binds full members from 1 July 2027	S73, S78

Regulators, industry bodies, law-firm summaries and press as numbered; the evidence class of each source is in the register. 'Not located' means the document was not found in published sources at the cut-off, not that it does not exist.

WHAT THE NINE HAVE IN COMMON

Each regime accepts that the assets cannot be sold on demand and then chooses where to put the consequence. Most let the fund redeem and ration it by frequency, cap or notice. Hong Kong and Korea list the fund and let the market set the price of leaving, and Australia uses both forms. None promises redemption on demand at net asset value from illiquid assets.

The direction of travel is not uniform. The United States is proposing more frequent offers and a principles-based test. The United Kingdom is proposing a longer minimum notice. Europe has fixed the liquidity arithmetic in a rule.

IIR READING

The choice between the two models is a choice about who sees the cost and when. A listed fund shows it to everyone every day as a discount. An unlisted fund shows it only to those who ask to leave, and only when requests exceed the limit. Neither removes it. For an adviser, the listed form is harder to explain in a falling market and easier to exit; the unlisted form is the reverse.

10

ENGINEERING FILE 10 OF 10 · CONTINUED
RETAIL WRAPPERS, BY JURISDICTION

Europe ties the liquid assets a fund must hold to how often it deals: about 10% of the fund per dealing date, 5% a month

EXHIBIT 61 The European rule: liquid assets required for each dealing frequency

DEALING FREQUENCY	MINIMUM LIQUID ASSETS	MOST OF THEM THAT MAY BE PAID OUT	IMPLIED CEILING PER DEALING DATE
Yearly or less often	10%	100%	10.0% of the fund
Half-yearly	15%	67%	10.1%
Quarterly	20%	50%	10.0%
Monthly or more often	25%	20%	5.0%

ELTIF regulatory technical standards, Annex II, as summarised by Maples [S66]. The last column is IIR arithmetic: the minimum liquid holding multiplied by the share that may be paid out. An ELTIF may instead calibrate by notice period.

IIR READING

The European calibration implies that no more than about 10% of a fund can leave on a dealing date, and 5% a month, at the minimum liquid holding. That is the arithmetic of file 01 made compulsory. The United States has a test of its own, liquid assets equal to the whole of each repurchase offer, and proposes to replace it with a principle.

EXHIBIT 62 The two models, and where the cost of illiquidity appears

	LISTED, NO REDEMPTION	UNLISTED, RATIONED REDEMPTION
Used in	Australia (listed trusts), Hong Kong, Korea, UK investment trusts, US listed BDCs	US interval funds and non-traded BDCs, ELTIFs, LTAFs, Australian evergreen funds, Singapore (proposed)
How the cost of illiquidity shows	As a price below asset value	As a queue: a cap, a notice period or a suspension
Australian evidence	9 indicative discount candidates among 25 eligible ASX vehicles; bases qualified on page 30	Metrics Direct Income Fund suspended from 29 September; MA Secured Loan Series limited to 1% of funds a month from 25 August; four property credit funds press-reported as suspended [S78, S80]
Offshore evidence	45 US listed BDCs at an average 0.80 times NAV on 20 August; UK investment trusts at an average 11.6% discount at 30 June [S81]	Six US non-traded credit funds with requests of 10% to 39% against limits of about 5%; six German property funds suspended in 2026 [S77, S81]
Who bears it	The seller, on the day of sale	Every holder who asks to leave, and those who remain if assets are sold to pay them

IIR, from the sources numbered. Ratios are as published by the sources named and are not IIR matched-date calculations, except the ASX count.

EXHIBIT 63 Who may buy: limits where the rule or the offer sets one

JURISDICTION	LIMIT ON WHO MAY BUY, OR HOW MUCH	SRC
United Kingdom	A retail investor buying an LTAF without advice may hold no more than 10% of investable assets in restricted mass-market investments. Defined-contribution pension schemes may invest	S82
European Union	At least 74% of ELTIFs are accessible to retail investors. By assets, private debt is 34%, infrastructure 28% and private equity 22%	S65
India	Rs 10 lakh minimum per investor; accredited investors exempt	S60
United States	Interval funds are registered funds. The SEC proposes to add accredited investors to those who may be charged a performance fee, capped at 20% of net gains	S45
Australia	Set by the offer: PEP Gateway Evergreen (an IIR client relationship) has an A\$10,000 minimum, and its target market statement describes a satellite allocation held for five to seven years	S78

Sources as numbered. Only jurisdictions where the documents reviewed state a limit are listed; absence from the table does not mean that no limit exists.

WHAT THE HOLDER KEEPS

- In the listed model, the discount on the day of sale.
- In the unlisted model, the wait, and a unit price struck by the manager while waiting.
- In both, the assets' own risk. No wrapper shortens the life of a loan or a building.

QUESTIONS TO PUT TO ANY WRAPPER

1. Is the exit a market sale or a redemption?
2. If a redemption: how often, capped at what, and on how much notice?
3. What liquid assets must the fund hold, and who checks?
4. Can the manager suspend, and must it tell the regulator?
5. Is there a limit on how much of a portfolio the product may be?

AUSTRALIAN READ-ACROSS

Australia has chosen disclosure and reporting over a wrapper: ASIC's ten principles on an 'if not, why not' basis, an industry standard on valuation and redemption terms, an APRA consultation on trustee governance, and a proposed duty to notify ASIC of redemption freezes [S73]. The exit terms of an Australian evergreen fund are found in its own documents and not in a rule.

SIX TESTS ACROSS THE STRUCTURES

None of the structures states an inflation link, and no illiquid one exits through its assets: the exit is a rule, a counterparty, a buyer or a wait

The same six questions put to the structures in files 01 to 09 and to the ASX-listed trust as the Australian comparator; file 10 compares wrappers and is not a row. The answers are a reading aid from the documents cited in each file, not a rating, a score or a ranking.

EXHIBIT 64 Six tests, nine structures and an Australian comparator

STRUCTURE	1 · INFLATION LINK	2 · WHO PROVIDES THE LIQUIDITY	3 · CAP, NOTICE OR TERM	4 · WHERE THE LEVERAGE SITS	5 · FIRST LOSS	6 · WHO SETS THE VALUE
01 Semi-liquid evergreen fund	None by contract. Floating-rate loans reset with policy rates	The fund itself: repayments, a liquid sleeve, a bank line and new subscriptions	Typically 5% of NAV a quarter; pro rata above it	A bank facility at the fund; the borrowers	The holder	The manager, at a NAV struck monthly or daily
02 Public wrapper for private credit	None	The originator's contractual bid (PRIV); the tranche market (CLO ETFs); a board's tender offer (interval route)	None on exchange. The bid is sized to a seven-day stress redemption	Inside the CLO for tranche funds; not stated for PRIV	The holder; junior tranches first in a CLO	Pricing services and fair-value procedures; the bidder's price on exit
03 Bank risk transfer	None. Premium plus a floating collateral return	No one before maturity	The life of the deal	At the investor: bank loans against the notes at haircuts of 40% to 60%	The bank for the first 0.5% to 1.5% (EU); then the investor	Model
04 AI infrastructure bond	None stated	The bond market, for qualified buyers	None; the bond amortises	In the structure: US\$27.3bn of debt on one campus, coverage 1.12 times	The venture's equity, then bondholders, where the tenant's guarantee and termination fee do not reach	Market price; an A+ rating one notch below the tenant
05 Secondaries and rated feeders	None	The buyer of the interest, at a negotiated price	A sale process, not a right	In the feeder: rated notes above a first-loss equity layer	Feeder equity; the buyer of a fund interest	The sponsor's own NAV, against which deals are priced
06 Catastrophe bond	None. The collateral return floats with short-term rates	Secondary trading between investors	Principal is tied up until the end of the term	None in the bond; it is fully funded in cash	The investor, above the attachment point	A modelled expected loss; market quotations
07 Autocallable or buffer ETF	None. Depends on an equity index	The exchange and its market makers	None; daily dealing	None borrowed; exposure through a swap or options	The holder, below the barrier or beyond the buffer	Exchange price; an index calculated by a third party
08 Stacked or long-short fund	None	The exchange, or the fund at NAV	India: notice of up to 15 working days	Inside the fund: up to US\$2 of exposure per US\$1; shorts up to 25% (India)	The holder, on every layer	Exchange-traded futures and securities; fund NAV
09 Tokenised Treasury fund	None. A short-term Treasury yield	The fund on redemption; other holders on transfer	Set by each fund	None in the fund; arises where the unit is posted as margin	The holder, with operational and legal risk added	The fund's NAV; published on chain for one fund
AU ASX-listed closed-end trust	None by contract. 13 of the 16 reviewed are credit trusts	Buyers on ASX	None; the price is the market's, not NAV	At the fund in some cases; in underlying funds in others	The holder	The manager or an underlying manager; 8 of 16 reviewed describe no independent valuation process

IIR summary of the sources cited in files 01 to 09 and, for the AU row, of the review of sixteen ASX-listed funds on page 28. 'Not stated' means the sources cited do not give the term.

WHAT THE TABLE SHOWS · INFLATION

The opening question of this issue was what an income promise is worth when prices and policy rates are rising. On the documents reviewed, no structure here pays a return tied to an inflation index. Several pay a floating rate, which follows policy rates and not prices, and raises the borrower's cost at the same moment. A contractual link is found instead in inflation-indexed government bonds and the funds that hold them, such as ladders of US Treasury inflation-protected securities [S04, S29].

WHAT THE TABLE SHOWS · LIQUIDITY

Column 2 names a fund rule, a counterparty, a market or no one. Where the assets are illiquid (rows 01 to 06 and AU) the exit is never the assets turning into cash on demand: it is a rationed repurchase, one firm's bid, a sale to another investor or a wait to maturity. Rows 07 to 09 hold liquid instruments and deal daily; their engineering is in the payoff or the register. For each, ask what the liquidity provider is obliged to do.

WHAT THE TABLE SHOWS · LEVERAGE

Leverage has not gone away; it has moved. It sits at the investor in risk transfers, in the structure in project bonds and rated feeders, and in the derivative in stacked and option funds. A fund fact sheet that reports no borrowing can still hold any of these. Asking where the leverage sits is more useful than asking whether there is any.

Structures not covered in this issue. Large enough to matter, but no document setting out their terms was reviewed for this issue, so no file is offered: net-asset-value loans and other borrowing at fund level; funds that buy stakes in managers; life and annuity reinsurance sidecars; royalty and litigation finance; private-credit CLOs backed by mid-market loans; and European defence financing, including the EIB Group's Defence Equity Facility [S25]. They are candidates for Issue 03.

LAUNCH WATCH

Nineteen developments in 2026, mapped to the engineering files

A launch shows that a structure is being sold, not that it works. A new brand does not inherit a predecessor's record, and none of these vehicles is established here as available to Australian retail investors unless stated.

EXHIBIT 65 New managers, strategies, wrappers and access points, January to October 2026

MARKET	MANAGER AND VEHICLE	DATE	WHAT IS NEW	TERMS AND LIMITS TO NOTE	FILE	SRC
Australia	Delta-G Global Growth Fund (issuer: K2 Asset Management)	May 2026	A new manager. Wholesale fund buying existing shares in private, pre-IPO AI companies	Concentrated; exit depends on listings. The founders' earlier record is not the fund's	FILE 05	S32
Australia	JANA Private Credit Trust	25 Aug 2026	Wholesale access to global private credit through one trust; more than A\$270m at announcement	Look-through fees, liquidity and valuation of the underlying funds	FILE 01	S12
Australia	Ark Capital, Cornerstone	5 Aug 2026	Pooled access to a private real-estate credit strategy	Terms from launch material; the offer document was not reviewed	FILE 01	S16
Australia / Singapore	Aura PE Evergreen Income Fund	21 Aug 2026	Singapore VCC sub-fund targeting 60% private equity and 40% private credit	Twelve-month lock-up, then quarterly dealing subject to its terms	FILE 01	S17
Australia	Regal Partners Multi-Strategy Income Fund	PDS of 1 Sep 2026	Fund for wholesale clients, offered under a PDS, across Regal's credit, royalties and income strategies, with a Class B capital buffer	No redemption before January 2028; then quarterly on 90 days' notice, 5% of NAV	FILE 01	S78
Australia	Antarctica Select Hedge Fund Portfolio, through Longreach	Mar 2026	Australian-dollar access to a portfolio of hedge funds	Quarterly on 95 days' notice; a 25% gate at the underlying portfolio	FILE 08	S18
United States	Capital Group KKR U.S. Equity+	2 Mar 2026	Interval fund blending public and private equity, about 60 to 40	Quarterly offers for 5% of shares, subject to board approval and proration. Separate from KKC	FILE 02	S23, S24
United States	WVB All Markets Fund; WVB Blackstone All Privates Fund	Jul 2026	Wellington, Vanguard and Blackstone: unlisted closed-end funds of public and private assets	Quarterly tender at NAV is the only exit; one distributor at launch	FILE 02	S43
United States	FT Vest Laddered Autocallable Buffer & Resilient Income ETF (ACYB)	7 Oct 2026	Autocallable ladder with fixed coupons and a buffer at maturity	Worst of three indices decides the outcome	FILE 07	S55
United States	Sycamore Tree, credit secondaries platform	13 Apr 2026	A new strategy buying existing private-credit fund interests	Test the discount against recoverable value and the timing of cash	FILE 05	S26
United States	Neuberger Specialty Finance, New Bridge AeroFinance	14 Sep 2026	A new aerospace-financing platform with specialist founders	The initial portfolio above US\$2bn is an ambition, not capital raised or lent	CONTEXT	S19
Canada	BMO Strategic Autocallable Income US Large Cap ETF (ZACU)	24 Sep 2026	Autocallables written on single large US shares, in a Toronto-listed fund	Single-share reference assets; alternative mutual fund rules	FILE 07	S58
Europe	Calamos Autocallable Income UCITS ETF	27 Apr 2026	The US autocallable ladder in UCITS form	UCITS registration does not establish Australian access	FILE 07	S15
Europe	Janus Henderson Global IG CLO Active Core UCITS	13 Jan 2026	Investment-grade CLO tranches in a UCITS fund	Investment grade is wider than AAA; dealing terms not established here	FILE 02	S30
Global	Fidelity International tokenised liquidity fund (FILQ)	6 May 2026	A tokenised money market fund with conventional custody and administration	Assessed Aaa-mf by Moody's; the legal claim through the token	FILE 09	S62
Hong Kong	Gaw Capital Real Estate Private Debt OFC	Filed 2 Oct 2026	A listed closed-ended fund of real estate private debt; about a third of the illustrative portfolio is in Australia	No redemption right. 75.6% of the illustrative portfolio is co-invested with related parties	FILE 10	S67
Korea	First business development company, Shinhan Asset Management	By 10 Sep 2026	A KOSDAQ-listed fund of unlisted and venture companies under the March 2026 law	One launch in six months; a 9.9% dividend tax rate has been proposed	FILE 10	S69
Asia	KKR Asia private-credit fundraising	Close of 14 Jan 2026	US\$2.5bn of commitments: a US\$1.8bn fund and US\$0.7bn of accounts	A fundraising close, not a product launch and not capital in KKC	CONTEXT	S11
Global	BUIDL collateral framework: BlackRock, Standard Chartered and a digital-asset exchange	28 Apr 2026	A tokenised Treasury fund accepted as trading collateral, held at a custody bank	A collateral arrangement for institutional clients, not a retail product	FILE 09	S31

Issuer announcements, filings and press as numbered. Month only is shown where the issuer gives no day. The KKR entry is a fundraising close and the BUIDL entry a collateral framework. 'Context' marks an entry that bears on asset-based finance or fundraising and not on one file.

IIR CLIENT RELATIONSHIPS IN THIS EDITION

IIR identifies **KKR Credit Income Fund (KKC)**, **Neuberger Berman and Pacific Equity Partners (PEP)** as client relationships for this edition. The disclosure implies no rating or recommendation of any vehicle mentioned and does not state any fee. Other managers are named as examples of a structure. The full statement is on page 34.

KKC AND NEUBERGER BERMAN

KKC is in the evidence on pages 28 and 30. KKR's Asia fundraising and the Capital Group KKR interval fund are separate vehicles, not KKC fundraising or allocations [S11, S23, S27]. **Neuberger Berman's** aerospace platform is an example of asset-based origination and is not claimed to be an Australian retail offer [S19].

PEP

PEP Gateway Evergreen (PDS Fund) appears in file 01, in file 10 (page 25) and on page 30 as an Australian capped evergreen fund. Terms are from its product disclosure statement and annual report; nothing is taken from material restricted to wholesale clients and advisers [S28, S78].

ASX-LISTED EVIDENCE · SEVEN QUESTIONS, SIXTEEN FUNDS

Of 112 answers, 54 are no, 20 are yes, 7 are part and 31 cannot be established from the documents

The engineering files describe structures. This page tests sixteen Australian funds from their own documents. Each cell is one of four states, with a date or basis beside it where one applies. The grid is not a score: IIR has rated several of these funds (current status on page 34), flags are not weighted or added up by fund, and a fund with more flags is not thereby a weaker fund.

Yes	Part: mixed evidence	n.e.: not established from the documents reviewed	No: tested and not met
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EXHIBIT 66 Seven questions asked of every reviewed fund

FUND	F1 · ASSET VALUE OLDER THAN 45 DAYS	F2 · DISTRIBUTION NOT FULLY FROM CASH INCOME IN THE ASSESSED PERIOD	F3 · BORROWINGS MATURING WITHIN 12 MONTHS	F4 · LISTED TRADING STATUS OTHER THAN OPEN	F5 · DISCOUNT WIDER THAN 10% ON A MATCHED DATE	F6 · SINGLE ASSET OR BORROWER ABOVE 10%	F7 · NO INDEPENDENT VALUATION OR PRICING PROCESS DESCRIBED
MXT Corporate credit	Yes 30 Jun	n.e. FY2026: covered on the annual test only	No	No	n.e. no matched date	n.e.	Yes FY2026 accounts
MOT Corporate credit	Yes 30 Jun	n.e. FY2026: covered on the annual test only	No	No	n.e. no matched date	n.e.	Yes FY2026 accounts
KKC Corporate credit	No	n.e. operating cash inflow below distributions, FY2026	No	No	n.e. 5 Oct: 11.2%, valuation time differs	n.e. top ten issuers 18.80%	Part FY2026 accounts
PCX Corporate credit	No	n.e.	No	No	No	n.e. one note; look-through not stated	Part FY2026 annual report
MA1 Corporate credit	No	n.e. 17.9% of portfolio capitalising	No	No	No	n.e. largest underlying loan 1.5%; top-ten basis not reconciled	Yes FY2026 accounts
REV Corporate credit	No	n.e.	No	No	No	n.e.	Part FY2026 accounts
LF1 Corporate credit	No	n.e.	No	No	No	n.e. US fund 2.3% (31 Jul); other sleeve untested	Part FY2026 accounts
PCI Corporate credit	No	n.e.	No	No	No	n.e.	No
QRI Real estate credit	No	Yes Aug: 72% cash income	No	No	Yes 5 Oct: 12.6%	Yes 31 Aug: sponsor 10.5%	Yes FY2026 accounts
MRE Real estate credit	Yes 30 Jun	n.e.	n.e. A\$10m related-party loan; maturity not stated	No	n.e. no matched date	n.e. largest loan 2.9%; equity not stated	Yes FY2026 accounts
GCI Structured credit	No	Part Aug: funded from net income; cash receipt not stated	No	No	No	No	No
KIT Structured credit	No	n.e.	No	No	Yes 5 Oct: 12.3%	Yes 31 Aug: 21.6%	Yes FY2026 accounts
DN1 Structured credit	No	n.e. FY2026: covered on the annual test only	No	No	No	n.e. single note; look-through not disclosed	Part FY2026 accounts
PE1 Private equity	No	n.e. FY2026: operating cash inflow below distributions	Yes facility to Sep 2027	No	Yes 31 Aug: 17.6%	Yes Jul: about 17%	Yes FY2026 accounts
RF1 Multi-strategy	No	n.e. FY2026: covered on the annual test only	No	No	No	n.e.	Yes FY2026 accounts
WMA Multi-strategy	No	n.e.	No	No	Yes 31 Aug: 16.7%	n.e.	Part FY2026 accounts
All 16	3 yes · 13 no 0 part · 0 n.e.	1 yes · 0 no 1 part · 14 n.e.	1 yes · 14 no 0 part · 1 n.e.	0 yes · 16 no 0 part · 0 n.e.	4 yes · 8 no 0 part · 4 n.e.	3 yes · 1 no 0 part · 12 n.e.	8 yes · 2 no 6 part · 0 n.e.

IIR, from each fund's ASX announcements, monthly reports and FY2026 accounts, and the LMI Monthly Update of 3 October 2026 [S79]. Information to 12 October 2026. MA1's F6 is n.e.: its August report gives the largest underlying loan as 1.5% and the top ten loans as 22.8% of assets, and the two bases are not reconciled. Thresholds are editorial proposals. KKC is an IIR client relationship (page 27).

METRICS UPDATE - 13 OCTOBER 2026

MXT and MOT resumed ASX quotation on 5 October after audited accounts were lodged. Investors can trade listed units at market prices; this does not establish reopening of the underlying funds. MDIF is a separate unlisted fund: IIR's 12 October notice records no reopening. Ratings on MXT, MOT and MDIF remain under review, with no current rating approved; IIR does not rate MRE. Sources: ASX notices and IIR [S84].

ASX-LISTED EVIDENCE · READING THE GRID

The valuation question draws the most yes answers, the income question the fewest answers of any kind

Eight of sixteen funds describe no independent valuation or pricing process for the main investment. Fourteen do not establish whether the distribution in the assessed funding period came wholly from cash income. These are disclosure findings for the stated periods, not conclusions about later payments.

EXHIBIT 67 What each question tests

F1	The latest asset value that stands is dated more than 45 days before 12 October 2026. For the three Metrics trusts the August figures predate the audit revisions.
F2	The fund's own reporting shows part of the distribution for the assessed period funded other than by cash income. The assessed period is the latest for which that reporting shows how the distribution was funded; it is stated in the cell, and a later distribution is not inferred. Part where the fund says 'net investment income' without saying the income was received in cash. An annual operating cash inflow below distributions is n.e.: the accounts do not separate timing from the source of the distribution.
F3	A borrowing of the fund itself matures before 12 October 2027. Tests maturity, not whether a fund borrows.
F4	Trading on ASX at 9 October 2026. All sixteen are listed and trading; MXT, MOT and MRE were suspended from late September until 5 October pending audited accounts. This does not test redemption at asset value.
F5	Price and asset value on the same calendar date. A pair with a known gap in valuation time is n.e. Pairs after 31 August use one data vendor's close and are provisional.
F6	A look-through test of the largest single position, issuer or borrower group. n.e. where the documents do not give it for the whole portfolio.
F7	The FY2026 accounts carry the main investment at a value reported by the manager or an underlying manager and describe no independent valuation or pricing process. Part where independent pricing of some underlying assets is described. Absence of disclosure is not proof that no independent valuation occurs.

READING THE GRID AGAINST THE ENGINEERING FILES

Valuation. The most common yes is F7, in 8 of 16, with 6 more in part. Most of these trusts hold their assets through another fund and carry the holding at the value its manager reports. That is ordinary for a feeder, and it is the structure in which this year's audit revisions at the Metrics trusts arose. It is the listed counterpart of column 6 on page 26.

Income. F2 is the least answered: 14 of 16 are not established. One fund states how much of a distribution came from cash income, and one says its distribution is covered by net income without saying it was received in cash. A reader cannot tell from most monthly reports whether the distribution was earned in cash.

Liquidity. F4 is no in every row because all sixteen are listed and trading. The cost of that design shows in F5: 4 of the 16 stood more than 10% below asset value on a matched date, and 4 could not be tested.

IIR READING

The grid's main finding is the number of n.e. answers: 31 of 112 cannot be given from public documents, and 12 of those are about concentration. Disclosure, more than any single flag, separates these funds. The questions to put to a manager are the cells marked n.e.

EXHIBIT 68 What the review found in each strategy, and where it did not look

STRATEGY	REVIEWED	WHAT THE REVIEW FOUND
Corporate and diversified private credit	8 of 8	Five have a matched pair of price and asset value, and each sits within 5% of asset value on its own date. MXT and MOT have none, and KKC's is marked for valuation time. Disclosure of credit quality varies widely: MA1 publishes arrears, non-accrual and capitalising shares; several publish none in their monthly reports
Real estate credit	2 of 2	QRI reported two loans in payment default at 31 August and closed 12.6% below asset value on 5 October. MRE has no post-revision asset value for a date after 30 June
Structured credit	3 of 3	GCI's accounts describe daily pricing of the whole portfolio by an independent provider. KIT's largest issuer exposure is 21.6% and its discount on 5 October was 12.3%. DN1 holds a single note
Private equity and venture	1 of 3	PE1: SpaceX was 23.7% of the portfolio at 30 June and about 17% in July; the units closed August 17.6% below asset value. BTI and AIX were not reviewed
Infrastructure and real assets	0 of 1	RIV, which holds water entitlements, was not reviewed. The strategy is uncovered in this issue
Multi-strategy and liquid alternatives	2 of 8	RF1: non-listed positions were 63% of net assets at 31 August. WMA: 16.7% below pre-tax NTA at 31 August. AIQ and five long-short equity funds were not reviewed (file 08 shows their register data)

IIR, from the documents of the sixteen reviewed funds, listed by fund under [S79] in the source register. Sixteen of the 25 eligible vehicles were reviewed; the other nine were screened on register data only.

HOW THE GRID MEETS FILE 01

An evergreen fund redeems at a net asset value the manager strikes. Column F7 shows how often an Australian listed trust's asset value has the same origin: a figure reported up a chain of funds, with no independent valuation process described. In a listed trust the market can disagree with that figure, and F5 shows that it does. In an unlisted fund there is no second opinion.

HOW THE GRID MEETS FILE 10

F4 records market trading at 9 October. Listed investors generally exit by selling at market prices; any fund buy-back or withdrawal facility has separate terms and may be conditional. Four of the seven unlisted cases on page 30 are restricted or suspended. PEP and Regal illustrate capped or prospective access. Listing does not guarantee an exit at asset value or reopen an underlying fund.

ASX-LISTED EVIDENCE · THE DISCOUNT COHORT AND UNLISTED EXIT TERMS

Two exit models in Australian data: nine listed discount candidates; seven unlisted cases, four restricted or suspended

Nine indicative listed discounts use same-date inputs, with price and distribution bases still subject to the notes below. Unlisted exits may face a cap, limit or suspension. A discount is a question, not a verdict.

EXHIBIT 69 Listed model: nine indicative discount candidates among 25 eligible vehicles

CODE	STRATEGY	PRICE / ASSET VALUE	DATE	DISCOUNT	REVIEWED	WHAT THE DOCUMENTS SHOW
BTI	Private equity	\$0.980 / \$1.6900	31 Aug	-42.0%	No	Register data only; no reading is offered
KIT	Structured credit	\$1.755 / \$2.0016	5 Oct (p)	-12.3%	Yes	Began March 2026; one issuer at 21.6%; an on-market buy-back began in September
PE1	Private equity	\$1.480 / \$1.7963	31 Aug	-17.6%	Yes	SpaceX was 23.7% of the portfolio at 30 June and about 17% in July; unfunded commitments A\$81.7m; 10.8m units bought back in FY2026
QRI	Real estate credit	\$1.400 / \$1.6017	5 Oct (p)	-12.6%	Yes	Two defaulted loans; 28% of the August distribution from sources other than cash income; asset value moved 0.1% and price 8.5% between 31 August and 5 October
RG1	Multi-strategy	\$2.570 / \$2.8600	31 Aug	-10.1%	No	Register data only; no reading is offered
RG8	Multi-strategy	\$2.600 / \$3.0300	31 Aug	-14.2%	No	Register data only; no reading is offered
RIV	Infrastructure	\$1.300 / \$1.7300	31 Aug	-24.9%	No	Register data only; no reading is offered
TGF	Multi-strategy	\$2.860 / \$3.7356	31 Aug	-23.4%	No	Register data only; no reading is offered
WMA	Multi-strategy	\$0.990 / \$1.1886	31 Aug	-16.7%	Yes	Unlisted assets in seven classes; commitments 19.0% of the portfolio; continuation approved in October 2025

LMI register and fund notices [S79]: seven August pairs; QRI/KIT later pairs use one price vendor and are provisional. The five unreviewed rows' cum/ex-distribution bases are unverified. RG1 calculates to 10.1% from printed inputs, but the source reports 10.00%, so threshold membership is borderline. KKC is excluded for US valuation timing; Metrics lacks a matched pair.

EXHIBIT 70 Unlisted model: seven named cases, the exit route in the documents and its status on a date

VEHICLE AND INVESTORS	EXIT ROUTE IN THE DOCUMENTS	STATUS AND DATE	EVIDENCE, AND WHAT IS NOT ESTABLISHED
PEP Gateway Evergreen (PDS Fund) Global private equity through a master fund; retail and wholesale; A\$10,000 minimum	Monthly requests; net withdrawals limited to 5% of units a quarter; scaled back pro rata above it, and the unmet part lapses; the constitution allows up to 130 days to pay	Open on the accounts to 30 June 2026	Applications A\$40.6m and redemptions A\$0.26m in the year; none rejected. Cap usage since 30 June is not established. Offer-document cost estimate 3.37% of NAV a year
Regal Partners Multi-Strategy Income Fund Credit, royalties and income strategies; wholesale only	No redemption before January 2028; then quarterly on 90 days' notice, 5% of NAV a quarter, subject to available cash	Not established ; PDS terms only	Not commenced at 1 September. A Class B buffer of 10% of Class A, falling to 7.5% above A\$1bn; leverage generally no more than 30% at the master trust
Metrics Direct Income Fund (MDIF) Australian corporate loans; retail	A withdrawal right previously described as generally monthly	Suspended from 29 September 2026	Issues, redemptions and redemption pricing suspended; no reopening date. IIR's rating is under review and no current rating is approved [S84]
MA Secured Loan Series Unlisted real estate credit; MA1 has an exposure of about 20%	A withdrawal right under the trust's terms	Restricted from 25 August 2026	A temporary limit of up to 1% of funds a month, expected for at least three months. Requests outstanding not established
Centuria Bass Credit Fund; Bass Property Credit Fund Unlisted property credit	A withdrawal right	Suspended , press-reported 17 August	Reported paused for two to six months. Manager's notice not located
CVS Lane First Mortgage Fund; Property Finance Fund Unlisted property credit	A withdrawal right	Suspended , press-reported 28 August	Reassessment reported for the end of October. Manager's notice not located
ASCF Premium Capital, Select Income and High Yield Funds Unlisted mortgage funds; A\$251.8m at 30 June	Not reviewed	New offers halted : ASIC interim stop order, 8 October	An offer status, not a redemption status or a finding about solvency

Offer documents, annual reports and trustee notices [S78]; press reports and an ASIC release where marked [S80]. Named cases, not a register, a ranking or a complete list. PEP's monthly fact sheet is restricted to wholesale clients and advisers and its performance figures are not reproduced. PEP is an IIR client relationship (page 27).

IIR READING · LISTED

Seven of the nine were already in the cohort at 31 August, before the audit revisions of late September. The two additions are credit trusts whose prices moved while their reported asset values barely changed. A listed structure lets the market express a view that the asset value does not show.

IIR READING · UNLISTED

PEP Gateway Evergreen's accounts to 30 June show no request rejected, and nothing in the documents reviewed indicates that requests exceed its limit. Regal's terms are untested: the fund had not commenced. The terms that matter were in the documents before the event: the cap, the discretion and the time allowed to pay.

AGAINST THE OFFSHORE NUMBERS

Buyout fund interests changed hands privately at 91% of asset value in the first half (file 05); PE1 closed August at 82%. The portfolios are not alike and this is not a view on value. US listed BDCs averaged 0.80 times asset value on 20 August [S81].

WHAT WOULD CHANGE THE VIEW

For each structure, the evidence that would change our reading and where it will next be published

A launch or a headline does not change a reading; cash and terms do. Flows are compared only on a like measure: subscriptions, repurchase requests, amounts accepted and cash paid are four different numbers.

EXHIBIT 71 Evidence to follow, by engineering file

FILE	STRUCTURE	EVIDENCE THAT WOULD CHANGE THE READING	NEXT DATED SOURCE
01	Semi-liquid evergreen funds	Final third-quarter repurchase figures; net flows by strategy; more sponsors lifting caps to 7%; the share of returns from discounted secondary purchases	BCRED's final figures, November; the next Morningstar and PitchBook landscape
02	Public wrappers for private credit	The holder base of PRIV and whether the bid has been used; final SEC rules; a final Department of Labor rule	SEC comment period: 60 days from publication in the Federal Register
03	Bank risk transfer	Spreads on new deals; bank lending against the notes; supervisory follow-up to the Basel Committee paper	The next IACPM survey; BIS and Basel Committee publications
04	AI infrastructure finance	Further single-asset bonds; lease and guarantee terms; ratings relative to the tenant; data-centre securitisation volume	Issuer and rating-agency releases
05	Secondaries and rated feeders	Pricing as a share of asset value by strategy; evergreen funds' share of buying; the NAIC's treatment of ratings	Full-year secondary reviews; NAIC proceedings on the May 2026 proposal
06	Catastrophe bonds	Fourth-quarter issuance against the US\$6.7bn needed for an annual record; the multiple at the January renewals; losses from the hurricane season	Artemis fourth-quarter report
07	Option-engineered ETFs	Distribution rate against SEC yield; the share of rungs below their barriers after a market fall; new single-share and worst-of variants	Issuer fact sheets, monthly
08	Hedge-fund techniques	Monthly Indian SIF assets and scheme count; stacked funds' behaviour when equities and the overlay fall together	AMFI monthly data
09	Tokenised funds	Whether the total resumes growth after a 5.8% fall; formal CFTC rule-making; the RBA's consultation	RWA.xyz, daily; CFTC and RBA releases
10	Retail wrappers	The FCA's decision on a 90-day notice period; Singapore's final rules; Australian legislation on notifying redemption freezes	FCA consultation closes 11 December; Treasury consultation closes 23 October
—	ASX-listed evidence	First monthly asset values for MXT and MOT after the audit; September monthly reports; matched-date discounts for the nine; a second dated price source	By 14 October for MXT and MOT; fund reports through October

IIR. Dates are those given by the issuers and official bodies; where a source gives no date, none is shown.

EXHIBIT 72 Calendar to 2028

By 14 Oct	MXT and MOT: first monthly NTA (30 September) under ASX Listing Rule 4.12
15 Oct	QRI: September distribution payable; MA1: buy-back payment
23 Oct	Treasury consultation on managed investment scheme data collection closes
October	September monthly reports for the reviewed funds; PE1's 30 September NAV
By end-Oct	CVS Lane reassessment of its suspended funds (press-reported)
27–28 Oct	US Federal Open Market Committee meeting
2–3 Nov	RBA Monetary Policy Board meeting
November	BCRED final third-quarter repurchase figures (fund guidance)
Late Nov	Earliest review point for the MA Secured Loan Series limit; WMA final dividend payable 30 November
11 Dec	FCA consultation CP26/35 closes
Fourth quarter	Catastrophe bond issuance: US\$6.7bn needed to pass the 2025 record
'Very soon'	ASIC's second surveillance tranche on private credit (ASIC's wording; no date)
3 Feb 2027	APRA investment governance consultation closes
1 Jul 2027	FSC Standard No. 30 binds full members
Jan 2028	First redemption date under the Regal Partners Multi-Strategy Income Fund PDS

Dated by the issuers and official bodies unless marked. Items described as press-reported or as guidance are unconfirmed.

THREE WAYS THIS READING COULD BE WRONG

The caps may be tested harder than in 2026. We rely on the Morningstar and PitchBook judgement that the caps worked as designed in the first stress test. A year of negative net flows with rising defaults has not been observed for these funds.

The sources may flatter the structures. Most scale and pricing figures come from industry bodies, arrangers and data providers with an interest in the market's growth. Each source's class is marked in the register; for three files the central mechanism rests on secondary reporting (page 33).

The listed evidence is a screen of one register. Sixteen funds were reviewed from 25 eligible and 94 listed. The unlisted panel is seven named cases. Neither is a census of Australian alternatives, and patterns in them may not hold outside them.

EDITORIAL CONCLUSION

The useful question about a new alternative product is which term is being paid for and which risk is being kept. In this issue's ten structures the answer is usually found in the liquidity mechanism or the capital rule and not in the asset. Inflation raised the test for every income promise; the engineering decides who meets it.

SOURCES

84 numbered sources, each marked by evidence class

Sources were accessed between 11 and 13 October 2026; figures carry the dates shown in the text, none later than the 12 October cut-off. The class shows how much weight a figure can bear: **P** primary (issuer, regulator or official body), 44 sources; **D** data provider or industry survey, 21; **L** law-firm summary, 7; **M** media or trade press, 12. Source titles in blue are live links.

- S01** **P** RBA, 29 September 2026 monetary-policy media conference — [Official statement](#)
- S02** **P** Federal Reserve, 16 September 2026 FOMC statement — [Official release](#)
- S03** **P** Federal Reserve, September 2026 Summary of Economic Projections, Table 1 — [Projection tables](#)
- S04** **P** US Treasury, TIPS mechanics and principal adjustment — [TreasuryDirect](#)
- S05** **P** APRA, June 2026 superannuation statistics, released 31 August 2026 — [Industry release](#)
- S06** **P** HUB24, FY26 results, 18 August 2026, pages 1-2 and footnote 1 — [Issuer PDF](#)
- S07** **D** Betashares, Australian ETF Review August 2026, pages 4, 6 and 8 — [Report](#)
- S08** **D** ICI, estimated ETF net issuance, 6 October 2026 release, weekly table, including commodity ETFs — [ETF series](#)
- S09** **D** ICI, estimated long-term mutual-fund flows, 7 October 2026 release, weekly table and notes — [Mutual-fund series](#)
- S10** **D** World Gold Council, September 2026 gold ETF flows, 7 October 2026 — [Monthly analysis](#)
- S11** **P** KKR, Asia private-credit fundraising close, 14 January 2026 — [Issuer announcement](#)
- S12** **P** JANA, Private Credit Trust announcement, 25 August 2026 — [Launch](#)
- S13** **P** Blackstone, BCRED shareholder notice, 3 September 2026, page 1 and footnotes 4-9 — [Notice](#)
- S14** **D** UBS, Global Family Office Report 2026, strategic asset allocation 2025 by region, and survey description — [Report](#)
- S15** **P** Calamos, Autocallable Income UCITS ETF launch: index, barriers, ladder, fee, swap counterparty and listings, 27 April 2026 — [Announcement](#)
- S16** **P** Ark Capital, Cornerstone launch, 5 August 2026 — [Issuer announcement](#)
- S17** **P** Aura, PE Evergreen Income Fund, launch date and public terms — [Fund page](#)
- S18** **P** Longreach, Antarctica Select Hedge Fund Portfolio, Fund Facts — [Product page](#)
- S19** **P** Neuberger, New Bridge AeroFinance, 14 September 2026 — [Announcement](#)
- S20** **P** Calamos, autocallable framework and risk explanations — [Product family](#)
- S21** **P** Janus Henderson, JAAA fund page: objective, expense ratio, net assets at 9 October 2026 and risk disclosures — [Fund page](#)
- S22** **P** Innovator, defined-outcome mechanics and intra-period caveat — [Product explanations](#)
- S23** **P** Capital Group, US Equity+ inception and product structure — [Fund facts](#)
- S24** **P** Capital Group, US Equity+ repurchase terms and disclosures — [F2 product disclosure](#)
- S25** **P** EIB, strategy and Defence Equity Facility, 12 June 2026 — [Official release](#)
- S26** **P** Sycamore Tree, credit secondaries platform, 13 April 2026 — [Announcement](#)
- S27** **P** KKR Australia, separate KKC and GCOF product listings — [Australian products](#)
- S28** **P** PEP Gateway public product page — [Gateway](#)
- S29** **P** iShares, iBonds 1-5 Year TIPS Ladder ETF (LDRI) product page: name, structure and inception date — [Product page](#)
- S30** **P** Janus Henderson, Global IG CLO Active Core UCITS announcement, 13 January 2026 — [Launch](#)
- S31** **P** Standard Chartered, BUIDL collateral framework, 28 April 2026 — [Joint announcement](#)
- S32** **P** K2 Asset Management, Delta-G Global Growth Fund launch, May 2026, and the manager's company profile, cited for the 2026 founding date only — [Issuer announcement · manager profile](#)
- S33** **D** Morningstar and PitchBook, Q2 2026 US Evergreen Fund Landscape (7 July 2026); figures as reported by WealthManagement.com, 9 July 2026, and Private Markets Insights, 16 August 2026 — [PitchBook · WealthManagement.com · Private Markets Insights](#)
- S34** **D** XA Investments, first-quarter 2026 interval and tender offer fund market update, 15 April 2026 (data at 31 March 2026) — [Release](#)
- S35** **D** Preqin, evergreen fund launches, 27 February 2026 — [Preqin News](#)
- S36** **D** Lonsec, 'Private debt evergreen funds: how managers are addressing liquidity risk', M. Grdosic, 17 February 2026 — [Lonsec](#)
- S37** **M** CAIA Association blog (opinion), 'Evergreen funds: we have questions', H. Wiek (PitchBook), 21 May 2026 — [CAIA](#)
- S38** **D** Jefferies, Global Secondary Market Review, July 2026 — [Report](#)
- S39** **D** Evercore, H1 2026 Secondary Market Review, July 2026 — [Report](#)
- S40** **L** Dechert, 'Rated Note Fund Market Update 2026', 3 August 2026 — [OnPoint](#)
- S41** **P** State Street Investment Management, PRIV frequently asked questions, March 2026 — [Issuer FAQ](#)
- S42** **M** WealthManagement.com (Bloomberg), 4 February 2026, and Advisor Perspectives (Bloomberg), 20 May 2026: PRIV assets and holders — [4 February · 20 May](#)
- S43** **M** InvestmentNews, Wellington, Vanguard and Blackstone fund launches, 24 July 2026 — [Article](#)
- S44** **L** Debevoise & Plimpton, US Department of Labor proposed safe harbour for alternative assets in 401(k) plans, 6 April 2026 — [Publication](#)
- S45** **P** US Securities and Exchange Commission, fact sheet on the proposals of 30 September 2026; Dechert summary of 1 October 2026 — [SEC fact sheet · Dechert](#)
- S46** **P** Basel Committee on Banking Supervision, 'Synthetic risk transfers', 17 February 2026 — [BCBS d607](#)
- S47** **P** BIS Quarterly Review, March 2026, Babu, Chui and Stephanou, 'The rise and risks of synthetic risk transfers' — [Article](#)
- S48** **D** International Association of Credit Portfolio Managers, Global SRT Market Overview 2025, June 2026 — [Public paper](#)
- S49** **M** IFR, 'The Meta/Blue Owl deal broken down', P. Gollakota, 17 December 2025 — [IFR](#)
- S50** **D** Structured Finance Association, Research Corner, 'How data center ABS and CMBS fit in a broader financing ecosystem', 23 July 2026 — [SFA](#)
- S51** **D** Artemis, catastrophe bond market reports: third quarter 2026 (1 October 2026) and first half 2026 (6 July 2026) — [Q3 article · Q3 report · H1 records · Structure](#)
- S52** **L** Skadden, 2026 Bermuda International Life and Annuity Conference key takeaways, 1 October 2026 — [Publication](#)
- S53** **M** ETFdb (VettaFi), 'Monetizing market uncertainty: derivative ETFs', 7 July 2026 — [Article](#)
- S54** **P** Calamos, Autocallable Income ETF (CAIE) product page, data at 9 October 2026; fact sheets for CAIE and the Nasdaq Autocallable Income ETF (CAIQ), data at 30 June 2026 — [CAIE · CAIQ fact sheet](#)
- S55** **P** First Trust, launch of the FT Vest Laddered Autocallable Buffer & Resilient Income ETF (ACYB), 7 October 2026 — [Release](#)
- S56** **D** Structured Retail Products, 'Autocallable ETFs: a new structured payoff design', 27 May 2026 (introduction; the full article is available to subscribers only) — [SRP](#)
- S57** **M** Reuters via Kitco, Goldman Sachs completes the Innovator Capital Management acquisition, 2 April 2026 — [Wire](#)
- S58** **P** BMO, launch of the BMO Strategic Autocallable Income US Large Cap ETF, 24 September 2026 — [Release](#)
- S59** **M** ETF Express, 'Stacked returns gain in popularity', 15 December 2025 — [Article](#)
- S60** **D** Association of Mutual Funds in India monthly SIF report, as reported by Kalkine, 1 October 2026; Press Trust of India, 3 July 2026 — [Kalkine · PTI](#)
- S61** **D** RWA.xyz, tokenised Treasuries dashboard, accessed 12 October 2026 — [Dashboard](#)
- S62** **M** CoinDesk, Moody's assessments of tokenised money market funds, 14 May 2026 — [Article](#)
- S63** **P** US Commodity Futures Trading Commission, release 9303-26, 24 September 2026 — [Release](#)
- S64** **P** Reserve Bank of Australia, media release 2026-13, Project Acacia findings, 18 May 2026 — [Release](#)
- S65** **D** Scope Fund Analysis, 2026 ELTIF study, as reported by Greenman, 15 September 2026 — [Greenman](#)
- S66** **L** Maples Group, ELTIF 2.0 regulatory technical standards in force, October 2024 — [Maples](#)
- S67** **M** Mingtiandi, Gaw Capital files for a Hong Kong-listed real estate private debt fund, 5 October 2026; preliminary prospectus lodged with HKEX on 2 October 2026 — [Mingtiandi · HKEX filing](#)
- S68** **L** Simmons & Simmons, Monetary Authority of Singapore consultation on a Long-term Investment Fund framework, 17 April 2025 — [Publication](#)
- S69** **M** Seoul Economic Daily, Korea's business development company regime, 5 March 2026 and 10 September 2026 — [5 March · 10 September](#)
- S70** **D** Janus Henderson release, JAAA passes US\$30 billion, 13 August 2026 (primary); Octus, CLO ETF assets, citing Bank of America, 7 July 2026 — [Janus Henderson · Octus](#)
- S71** **P** ASX, Investment Products monthly report, April 2026 — [Report](#)
- S72** **P** UK Financial Conduct Authority: consultation paper CP26/35, 8 October 2026; speech of 11 May 2026 on Long-Term Asset Funds. HM Government, Individual Savings Account (Amendment) Regulations 2026 — [CP26/35 · Speech · ISA regulations](#)

SOURCES, CONTINUED

S73 [P](#) Australian regulators: ASIC Commissioner's speech, 22 September 2026; Treasury fact sheet, 19 August 2026; FSC Standard No. 30, 26 August 2026; APRA consultation, 30 September 2026 — [ASIC](#) · [Treasury](#) · [FSC](#) · [APRA](#)

S74 [L](#) BLG, Canadian Securities Administrators' proposals on liquidity risk management, December 2025 — [BLG](#)

S75 [D](#) MSCI, 'The ascendance and implications of evergreen funds in private markets', 3 March 2026 — [MSCI](#)

S76 [M](#) WealthManagement.com, 'Early investors may gain most in evergreen funds', D. Grossman, 21 August 2026 (opinion; hypothetical figures) — [Article](#)

S77 [P](#) US non-traded credit funds, third-quarter 2026 repurchase notices and SEC filings: BCRED, OCIC, OTIC, ADS, ASIF, HLEND and BDEBT — [BCRED](#) · [OCIC](#) · [OTIC](#) · [ADS](#) · [ASIF](#) · [HLEND](#) · [BDEBT](#)

S78 [P](#) Australian unlisted funds: PEP Gateway Evergreen (PDS Fund) product disclosure statement of 22 May 2026 and annual report to 30 June 2026; Regal Partners Multi-Strategy Income Fund PDS of 1 September 2026; Equity Trustees notice on Metrics Direct Income Fund, 30 September 2026; MA Secured Loan Series trustee notice — [PEP PDS](#) · [PEP annual report](#) · [Regal PDS](#) · [Metrics notice](#) · [MA notice](#)

FUND DOCUMENTS FOR THE SIXTEEN REVIEWED FUNDS [S79]

MXT Metrics Master Income Trust: August 2026 monthly report · Disclosure of 28 Sep 2026 · Delay notice, 30 Sep · Reinvestment plan suspension, 30 Sep · FY2026 financial report, 2 Oct · Reinstatement, 5 Oct · NTA reporting change, 5 Oct

MOT Metrics Income Opportunities Trust: August 2026 monthly report · Disclosure of 28 Sep 2026 · Reinvestment plan suspension, 30 Sep · FY2026 financial report and correction, 2 Oct

KKC KKR Credit Income Fund: Monthly update at 31 Aug 2026 · Listing Rule 10.1 waiver, 23 Sep · NTA at 5 Oct · FY2026 accounts

PCX Pengana Global Private Credit Trust: August 2026 newsletter · NAV at 30 Sep · Buy-back notice, 21 Sep · FY2026 annual report

MA1 MA Credit Income Trust: August 2026 investor report · MA Secured Loan Series update, 25 Aug · Buy-back price, 1 Oct · NTA at 8 Oct · FY2026 annual report

REV Revolution Private Credit Income Trust: August 2026 investment report · Notice of 27 Aug · NTA at 30 Sep · NTA at 6 Oct · FY2026 annual report

LF1 La Trobe Private Credit Fund: August 2026 investor report · Final buy-back notice, 24 Sep · NTA at 30 Sep · FY2026 annual report

S79 [P](#) IIR, LMI Monthly Update, edition of 3 October 2026 (data at 31 August 2026); the ASX announcements, monthly reports and FY2026 accounts of the sixteen reviewed funds, listed by fund at the end of this register; ASX closing prices from EODHD, retrieved 12 October 2026

S80 [M](#) Press reports of suspended Australian property credit funds: Financial Standard, 17 August 2026 (Centuria Bass); ABC News, 28 August 2026 (CVS Lane). ASIC media release 26-234MR, 8 October 2026 (ASCF) — [Financial Standard](#) · [ABC News](#) · [ASIC](#)

S81 [D](#) Listed and open-ended comparators: Raymond James, Q2 2026 BDC market update (priced 20 August 2026); Association of Investment Companies, first-half 2026 review, 13 July 2026; ESMA, Trends, Risks and Vulnerabilities report No. 2, 10 September 2026 — [Raymond James](#) · [AIC](#) · [ESMA](#)

S82 [L](#) Debevoise & Plimpton, 'UK Long-Term Asset Fund: private equity perspective', 19 September 2025 — [Publication](#)

S83 [P](#) Return Stacked ETFs, Return Stacked U.S. Stocks & Managed Futures ETF (RSST) fund page: exposure, use of futures, expense ratio; net assets at 9 October 2026 — [Fund page](#)

S84 [P](#) IIR, rating-status notice on Metrics Master Income Trust, Metrics Income Opportunities Trust and Metrics Direct Income Fund, 12 October 2026 — [Notice](#)

PCI Perpetual Credit Income Trust: August 2026 investment report · NTA at 7 Oct · NTA at 8 Oct · FY2026 accounts

QRI Qualitas Real Estate Income Fund: Performance update, August 2026 · September distribution estimate · NTA at 5 Oct · FY2026 accounts

MRE Metrics Real Estate Multi-Strategy Fund: August 2026 monthly report · Disclosure of 28 Sep 2026 · FY2026 financial report, 2 Oct

GCI Gryphon Capital Income Trust: August 2026 monthly update · Placement, 8 Sep · NTA at 8 Oct · FY2026 annual report

KIT Kapstream Investment Trust: August 2026 monthly report · NTA at 30 Sep · NTA at 5 Oct · Buy-back update, 9 Oct · FY2026 annual report

DN1 Dominion Income Trust 1: September 2026 monthly report · Notice of 27 Aug · FY2026 annual report

PE1 Pengana Private Equity Trust: August 2026 performance report · NAV at 31 Aug · FY2026 annual report

RF1 Regal Investment Fund: August 2026 monthly report · NAV at 2 Oct · FY2026 annual report

WMA WAM Alternative Assets: August 2026 investment update · FY2026 annual report

EXHIBIT 73 How strong is the evidence behind each engineering file?

ENGINEERING FILE	SOURCES CITED	PRIMARY	DATA OR SURVEY	LAW FIRM	MEDIA	ISSUER OR REGULATOR DOCUMENT FOR THE MECHANISM?	BASIS
01 Semi-liquid evergreen funds	10	2	6	0	2	Partly	Fund repurchase notices and Australian offer documents; US totals from a data provider's report, as reported by the press
02 Public wrappers for private credit	9	5	1	1	2	Yes	State Street's fund FAQ and the SEC's fact sheet
03 Bank risk transfer (SRT)	3	2	1	0	0	Yes	BIS and Basel Committee papers; scale from an industry survey
04 AI infrastructure finance	2	0	1	0	1	No	A named analyst's account in the trade press and an industry body's paper; the offering memorandum is not public
05 Secondaries and rated feeders	4	0	2	1	1	No	Two advisers' market reviews and a law-firm update; the transactions are private
06 Catastrophe bonds	2	0	1	1	0	No	A specialist data provider's reports; offering circulars are not public
07 Option-engineered ETFs and notes	9	6	1	0	2	Yes	Issuer product pages, fact sheets and launch releases
08 Hedge-fund techniques in retail funds	5	3	1	0	1	Partly	The sponsor's fund page for RSST; Indian industry data as reported by the press
09 Tokenised funds and collateral	5	3	1	0	1	Partly	CFTC and RBA releases; fund arrangements from the press and a live dashboard
10 Retail wrappers, by jurisdiction	17	5	5	4	3	Partly	SEC, FCA and Australian regulators; the EU, Singapore and Canada from law-firm summaries, Hong Kong and Korea from the press

IIR. Counts are of the distinct numbered sources cited on each file's two pages, by the evidence class in the register. The last two columns are IIR's assessment of whether an issuer's or a regulator's own document describing the central mechanism is among them. Where it is not, the figures rest on secondary reporting, and a reader relying on one should consult the source.

WHY THIS TABLE IS HERE

The engineering files draw on sources of very different weight: regulators' papers, issuers' own documents, data providers, law firms and the trade press. A reader should be able to see which files rest on a regulator's or an issuer's own document and which on an adviser's review or a trade report. Three of the ten rest on secondary reporting for their central mechanism, mainly because the transactions they describe are private. The weight placed on each file should match its evidence.

READING THIS EDITION · RELATIONSHIPS · IMPORTANT INFORMATION

How the figures were obtained, who IIR is, and the relationships relevant to this edition

READING THIS EDITION

Information cut-off: 12 October 2026, before ASX open; Metrics trading status clarified on 13 October. Market cut-off: ASX close, 9 October. Register: 31 August. Amounts are Australian dollars unless marked; other currencies are reported without conversion.

Engineering files. Scale figures, terms and prices are as reported by the source numbered beside them and have not been independently verified by IIR. Each source's evidence class is shown in the register. Diagrams are IIR drawings of the mechanism the source describes; where a diagram is not to scale or a term is not in the source, the exhibit note says so. 'IIR arithmetic' marks a figure calculated from reported inputs. 'Not stated' and 'not established' mean what they say and are not a finding against a product.

Listed evidence. Fund figures are issuer- or manager-reported and have not been audited or independently verified by IIR. Premiums and discounts are calculated from an ASX closing price and the NTA or NAV reported for the same date, carried unrounded and rounded once at print. Closing prices after 31 August come from one data vendor; a second dated price source was not available at the cut-off. NAV means net asset value and NTA net tangible assets; the terms are not substituted for each other.

Sources. Every source carries an evidence class in the register on pages 32 and 33: primary, data or survey, law-firm summary, or media. The documents of the sixteen reviewed funds are listed by fund at the end of the register.

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Independent Investment Research (IIR) is an investment research house based in Australia and the United States. It prepares commissioned research for brokers, family offices and fund managers, covering listed and unlisted managed investments, listed companies, structured products and IPOs. Its readership is in Australia, Asia and the Americas.

IIR was established in 2004 within the Aegis Equities Research group. Following the sale of the Aegis Equities business to Morningstar in March 2010, former Aegis senior executives and shareholders have continued IIR independently. IIR does not participate in corporate or capital-raising activity. Commissioned research relationships and fees can nevertheless create conflicts; the relationships documented for this edition are disclosed in the next column.

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RESEARCH RELATIONSHIPS

IIR identifies KKR Credit Income Fund (KKC), Neuberger Berman and Pacific Equity Partners (PEP) as client relationships for this edition; page 27 explains the scope. No payment was received or promised for coverage in this Monitor. Separate commissioned reports retain their own fee disclosures. No rating or recommendation is implied.

IIR has published commissioned research on Metrics Direct Income Fund (MDIF), Metrics Master Income Trust, Metrics Income Opportunities Trust, Qualitas Real Estate Income Fund, Gryphon Capital Income Trust, KKR Credit Income Fund, Regal Investment Fund and Pengana Private Equity Trust. Those dated reports disclose that IIR was commissioned and would receive preparation fees. They evidence research relationships; the present commentary does not update their ratings. IIR's ratings on MXT, MOT and MDIF remain under review and no current rating is approved for them [S84]. IIR does not rate MRE.

The LMI Monthly Update of 3 October 2026 also prints an IIR rating or assessment for Perpetual Credit Income Trust, WAM Alternative Assets, Bailador Technology Investments and Regal Asian Investment, and shows Regal Partners Global Investments and L1 Global Long Short Fund as pending. Those entries are not updated here.

IIR has also published research on other products of managers named in this edition: the PEP Credit Active Income Fund and the PEP Capital Solutions Fund (Australasia), which are different products from PEP Gateway Evergreen (PDS Fund); the Regal Emerging Companies Opportunities Fund, which is a different product from the Regal vehicles discussed; Pengana International Equities Limited; and the MA Secured Real Estate Income Fund (initiating coverage, February 2022), which is reported to invest through the MA Secured Loan Series. None of those reports establishes a rating for a product discussed here.

The relationships set out above are those documented in IIR's public research archive and its LMI Monthly Update. The engineering files also name other managers, banks and issuers as examples of a structure, among them Apollo, BlackRock, Blackstone, Blue Owl, BMO, Calamos, Capital Group, Fidelity International, First Trust, Gaw Capital, Goldman Sachs, Janus Henderson, J.P. Morgan, Meta, State Street, Vanguard and Wellington. This disclosure does not assert that other relationships are absent, or certify a current commercial relationship with every manager mentioned. Editorial coverage does not confer a rating, a recommendation or a promise of future coverage. Research enquiries are considered separately from editorial coverage and do not determine research conclusions.

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