

Find above the Investor Presentation for **First Guardian Secured ConverAble Bond Fund**

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First Guardian Secured Convertible Bond Fund

Investor Presentation

Underwritten return Stable Cashflow Actively Managed

6.0% p.a + 14% p.a

Annual yield, paid 0.50% monthly
plus fixed return over 2yrs, secured
and paid on Exit

Zero Management fees or
admin expenses

100% Investment scope is into
3 approved portfolio assets.

100% Fully underwritten by
the Fund, with capital
and agreed return
guaranteed by the
Fund's directors

Non-correlated exposure to High Growth industries

>20% Pre-money investment of
existing FSCF management
holdings in each portfolio
company

- **Food Production**
- **Property**
- **Industrial Services**

Low correlation to traditional
assets, based on direct
management and diverse
exposure to **minimise** impact of
shocks in global financial
markets.

Risk Management and security measures

\$26.2m Direct holding by the
Fund's managers totalling
AU\$26.2m pledged as
security

Underwritten

- This position is **fully guaranteed** to investors
- Not accessible to the managers
until all investor returns (cash
yield & principal + IRR) have
been settled in full.

THE OFFER AT A GLANCE

Fund Name	First Guardian Secured Convertible Bond Fund (FSCF)
Investment Manager	First Guardian Investments Pty Ltd ABN 32 601 984 641 CAR under Australian Financial Services License 302538
External Administrator	Circle Partners (Singapore)
Auditors	Baker Tilly
Structure and Domicile	Open-ended Fund, registered in the Cayman Islands
Investment Return	6.0% annual yield, paid monthly (50 basis points) + 14% IRR on principal investment secured over 2 years (paid on exit) = 20% blended IRR guaranteed over 2-year investment tenure
Investment term	2 years
Maximum raise	AUD \$20m.
Use of Funds	Immediate placement of all funds into current portfolio assets as convertible notes . Each note will have the ability to be refinanced and repaid with conversion portion paid separately via the issuance of new shares. Intention is to refinance each of the underlying loans within 18 to 24 months.
Currency	AUD or USD
Offer Opening date	15 th March 2019
Offer Closing date	The Fund is open-ended (capital structure and fund raising locked for initial 2-year tenure)
Management Fee	No management fees or administration expenses apply
Security	Security will be a first ranking charge over Fund assets comprising A\$26.2m of equity and convertible notes in 3 portfolio companies. After full drawdown of A\$20m there will be A\$46.2m of portfolio assets predominantly consisting of shares and first ranking convertible notes as well as a guaranteed A\$1m fund level cash float.
Asset rich portfolio companies	All 3 portfolio companies are asset rich / cashflow positive, with strong asset coverage ratios
Guarantee	Personal guarantees from the 2 principals; David Anderson and Conrad Warren.

First Guardian Capital is a diversified financial services firm, specialising in investment management and corporate advisory.

With offices in Melbourne and Jakarta, we manage assets for institutional investors, across Australia and Asia, covering both listed and private equity.

Our core investment team has been managing domestic and international portfolios for investors globally since 1985, and draws on extensive international experience in equity capital markets.

As an active investment manager, we have an overriding focus on generating attractive absolute returns whilst preserving capital.

- Over A\$800 million assets under management and in advice
- Lead manager of 3 ASX IPOs & 1 NSX IPO over 2017 and 2018

FSCF Management



David Anderson

David is a co-founder of First Guardian Capital. He brings over 18 years of Investment Management and commercial experience to the Fund. He is jointly responsible for the management of First Guardian's investment portfolios, and implementing the Firm's business strategy across Australia and Asia.

He has a background in establishing businesses, and managing equity and direct asset portfolios for global investors. He personally holds 17.1% of the Fund.



Conrad Warren

Conrad has 15 years in fund management experience, most recently as the Managing Director of Makati Capital Partners - a family office Fund which launched in 2012 and successfully closed in Q4 2018 providing investors with an IRR of 22% over the life of the fund.

Conrad has since joined First Guardian Capital as the Head of Asian Private Equity and has allocated 80% of his time to the management of FSCF. He personally holds 17.1% of the Fund.



FUND STRATEGY

The fund managers have been early stage investors in each of the Fund's assets, and are actively involved at the executive level of each portfolio asset in a Finance Director or CFO capacity.

This management exposure in each of the Fund's investments is platformed by large equity holdings (more than 20%) in each asset.

The fund manager will not directly hold any investor capital - instead all capital will be immediately injected into yielding assets.



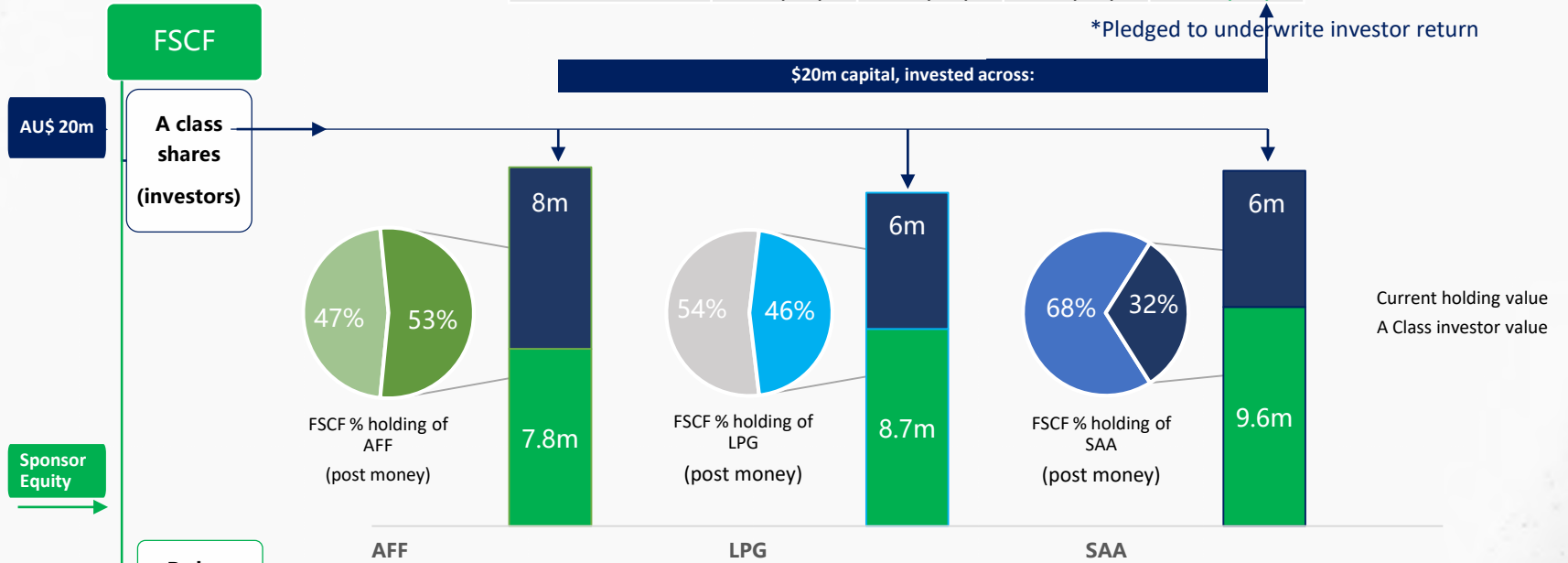
Management has designed the fund to mitigate risk via the following structural mechanisms:

- **Executive control** in each portfolio asset from entry through to exit. This not only allows management to make sure the fund's yield is serviced, it also provides management with an intrinsic understanding of the asset's fiscal health and strong position to influence strategy.
- **Strong influence at the BOD** level in each portfolio asset
- **Large direct equity** holding in each portfolio asset (>25%)
- **Low correlation** to traditional assets, based on carefully selected sector exposure and management to minimise the impact of shocks in global financial markets

Fund investments & Timeline

Current positions	AFF	LPG	SAA	
Shares AU\$	7,817,892	7,750,000	8,477,416	24,045,308
Con Notes AU\$		950,000	1,185,000	2,135,000
Portfolio Value	7,817,892	8,700,000	9,662,416	26,180,308

*Pledged to underwrite investor return



Notes

- Large direct holdings in each portfolio asset held by management and pledged as security to unit holders.
- Management holdings locked-in for life of fund and sit below unit holders on cash and principal waterfall.
- 100% of funds to be invested solely in the Fund's 3 approved portfolio assets.

Timeline + T₂ SNO Deal

$LVR = 20m / (20m + 26.18m) = 43.31\%$

T₀ : Current Portfolio
Value: \$26.18 Million

@Current

Holdings	AU\$
Shares	24,045,308
Notes	2,135,000
Portfolio	26,180,308

$LVR = 20m / 59.06m = 33.86\%$

T₁ : Total Indicative Portfolio Value:
\$59.06 Million

@Close of \$20m raise and full drawdown of debt facility

Holdings	AU\$
Shares	36,929,376
Notes	22,135,000
Portfolio	59,064,376
Leverage	(20,000,000)
Net Holdings	39,064,376

$LVR = 25.6m / 104.86m = 24.41\%$

T₂ : Total Indicative Portfolio Value:
\$104.86. Million

@Repayment to A Class investors

Holdings	AU\$
Shares	104,860,637
Portfolio	104,860,637
Class A payout	(25,992,000)*
Debt Coverage	4.09

*Assuming all notes are converted to shares.

Repayment obligation to A class investors:

- Principal @ AU\$20m, and;
- 2*14% p.a IRR = AU\$5.6mil

AUSTRALIAN FOOD & FARMING

Australian Food & Farming (AFF) is an Australian cropping and sheep meat producer that owns and operates agricultural assets in NSW and Western Australia. AFF's aim is to produce year-round, quality branded sheep meat for international and domestic consumers while maintaining a reliable cropping operation to diversify earnings and provide additional stock feed. The strong farming team collectively has over 100 years farming experience.



Assets owned and under contract by AFF includes:

- Approximately 57,000 acres in 4 locations across Southern Australia.

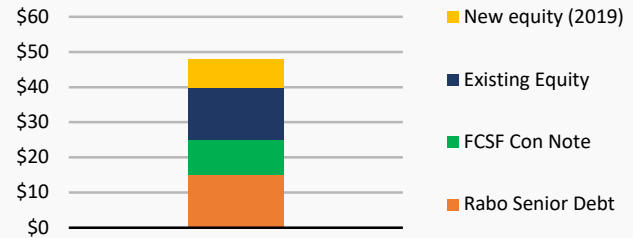
NSW, Tocumwal	4,391 acres of dryland and irrigation
WA, Great Southern	14,725 acres dryland
WA, Hyden	16,400 acres dryland
WA, Kulin	9,000 acres leased and owned

- 1,000 head stud sheep with premium genetics.
- Run a rapidly expanding commercial flock of dorper sheep.
- 652ML permanent water rights with 700 acres being irrigated.
- Own sheep meat brand that exporting to the Pacific.
- Currently in negotiation with an export abattoir for a 50% stake.
- Targeting 200,000 breeding sheep on farm, 5,000ML of water and large, highly productive, regionally diverse land holdings by 2024.

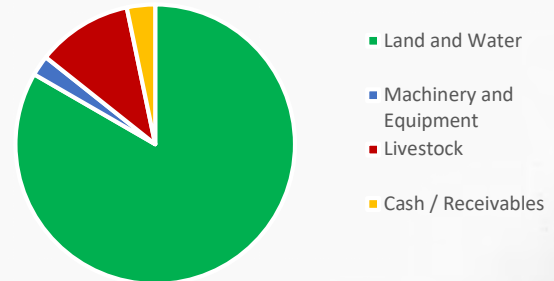
AUSTRALIAN FOOD & FARMING

- Year 3 EBIT Target of AUD\$ 6.3m
- Circa 22,000 hectares of premium farm land and water rights, valued at AUD\$35.0m owned and under contract
- FSCF will hold 53.12% of the Co. (fully diluted post conversion)

Dec 2019 Tangible Asset Coverage



A\$48m forecast Tangible Asset breakdown Dec 2019



Why Invest in an Australian Sheep Meat

Australian
Lamb Brands

AUSTRALIAN
FOOD & FARMING



- There is currently no recognised sheep meat brand in Australia.
- Significant opportunity exists to replicate the success of beef producers in the lamb industry.
- Premium pricing can be achieved by establishing a brand that represents quality and value.
- AFF is already selling branded product into PNG under a 2 year contract.



Why Dorper?

The Dorper originated in Africa and is well suited to Australian conditions.

Dorpers are polyoestrous: They can breed continually with no defined season. This means we can produce all year round.

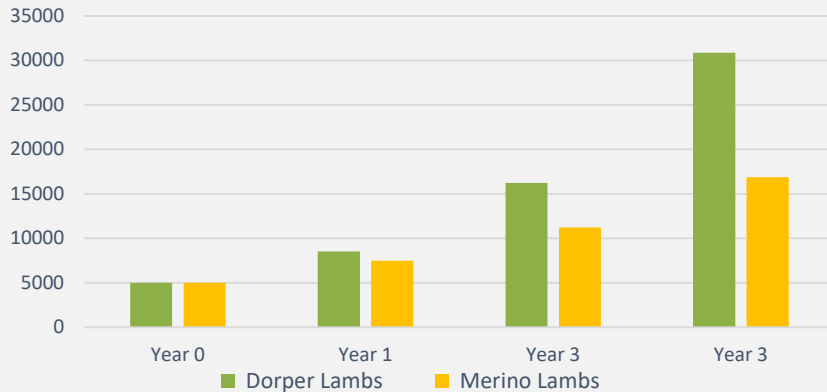
Highly fertile: In the right conditions and with good genetics they can produce a lamb every six months.

They are low maintenance: No shearing is required which minimises higher Australian labour costs.

AFF owns a dorper stud ranked in the top 10% in Australia. We are focused on improving the key commercial genetic traits to underpin a brand and increase revenues: eating quality, fertility and weight gain.



Flock Size Growth, Dorpers and Merino Lambs



ABOUT SAPEX

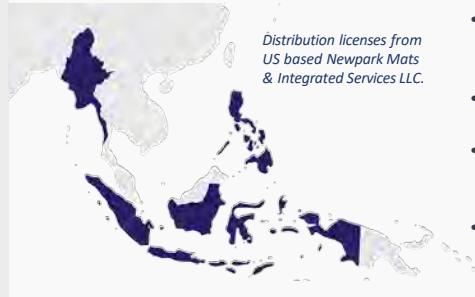


- SAPEX Group Limited (SAA) is a diversified composite mat operator whose primary business is the sale, distribution, rent and operations of the Dura-Base composite mat system. SAA is the sole distributor in Indonesia through an exclusive license and distribution agreement with the manufacturer of all Dura-Base mats.
- Primarily focused on the management and distribution of the Dura-Base composite mat systems, under license, in the Southeast Asian region. SAA currently generates cashflow, via the management of the Dura-Base product being deployed to third-parties in the Oil and Gas, mining and construction industries throughout Indonesia.
- Intends to take advantage of existing growth opportunities by expanding to other industries and countries as well as shifting from a third-party management model to that of a full-service owner and operator of the Dura-Base composite mat system.



- 2019 Secured Contracts: AU\$5.1m
- Year 3 EBITDA Target: AU\$12m
- US\$79m in revenue since 2005
- FSCF will hold 44% of the Co. (fully diluted post conversion)

Distribution Licences

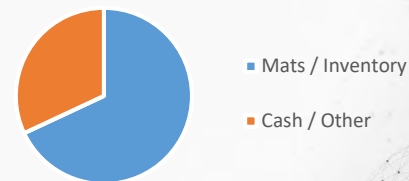


Opportunities

- Fast growing, yet established, infrastructure and logistics services company.
- Exclusive Dura-Base license for Indonesia,
- Originating high-value long term contracts from Blue Chip clients.
- Transition from an agency business model towards owner and operator model



A\$16m tangible asset breakdown



Proposed transition from the
NSX to ASX



2019 Goals –Further Contracts

Two significant contracts are being targeted currently, with discussions underway.

This will form the three targeted foundation contracts in addition to delivering SAKA.

Further planning to:

1. Lock in 2019 revenues by June.
2. Diversify revenue streams to other sectors, beyond Oil and Gas.
3. Improve and expand mat inventory in 2019.

ExxonMobil

HALLIBURTON

ConocoPhillips

TALISMAN
ENERGY

NEWCREST
MINING LIMITED

KPC
PT KALTIM COAL

PERTAMINA

pgn SAKA
power to discover

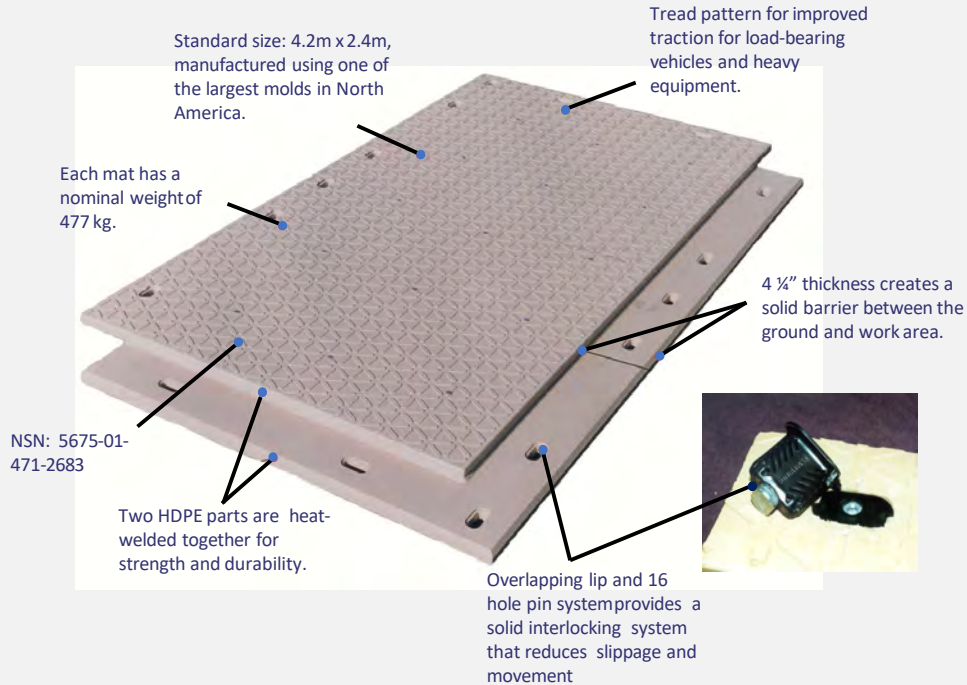
REPSOL

Chevron

LEIGHTON



The Product: Dura-Base® Composite Mat System



- The Dura-Base® Composite Mat System (the Product or Dura-Base) is a stable, uniform surface with built in tread pattern to provide consistent traction to personnel and equipment.
- The product allows ample spreading of heavy loads to ensure minimal ground impact and displacement, and has successfully been applied on the following challenging conditions and surfaces:
 - Mud;
 - Grass;
 - Sand;
 - Swamp; and
 - Asphalt.
- Product characteristics:
 - Easy installations;
 - Ability to last 20 years with good maintenance;
 - Suitable for all weather and terrain conditions;
 - Engineered to give safe access over sensitive terrain whilst protecting landscape; and
 - Recommended solution for temporary road use in inaccessible areas.

Lombok Property Group

Lombok Property Group (LPG) is a diversified Real Estate and property services company with a focus towards the development and growth of Lombok Island, Indonesia. Lombok is situated 163km East of the popular resort island of Bali - Asia Pacific's #1 tourist destination.

Forecast 8 million foreign visitors in 2019

Lombok is one of the fastest growing tourism and property markets in the Asia Pacific Region. LPG is the result of the merger of 5 established, Lombok based property related businesses:

- Bau Nyale Management / Hotel Management
- Damai Indah construction / Property Construction
- Indo Design Karya Mandiri (IDKM) / Architectural & Interior Design
- Ray White Lombok / Real Estate Agent
- PT Lombok Awan Sembilan (LAS) / Property Developer & Land Bank

The merged business retains strong market position across a diversified basket of Real Estate assets and operating divisions, and provides shareholders with the most experienced and knowledgeable management team in Lombok.

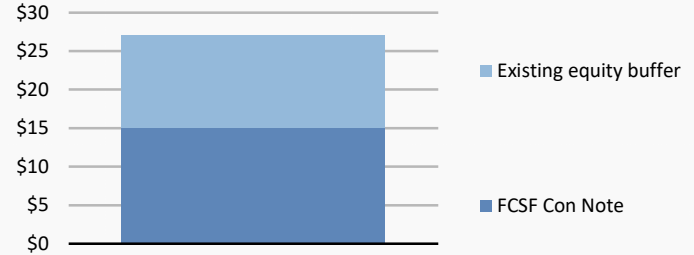
Key projects:

- The SIWA (Clubhouse)
- SIWA Cliffs Luxury Residences
- SIWA Sands
- SIWA Gardens
- Villa Bau Nyale

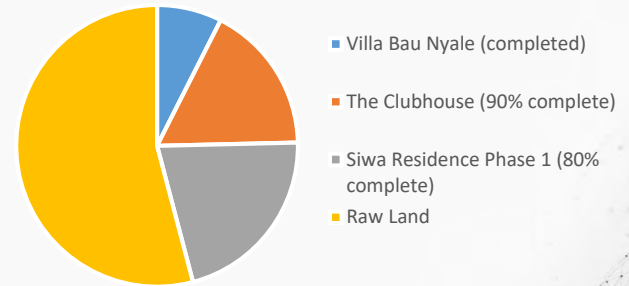


- Diversified real estate portfolio of operating hotels and premium land holdings with a land and replacement cost current market valuation of AU\$26.6m.
- AU\$11m in villa sales ready for market
- Total retained assets of ~AU\$60m at end year 3
- FSCF will hold 48% of the Co. (fully diluted post conversion)

Tangible Asset cover



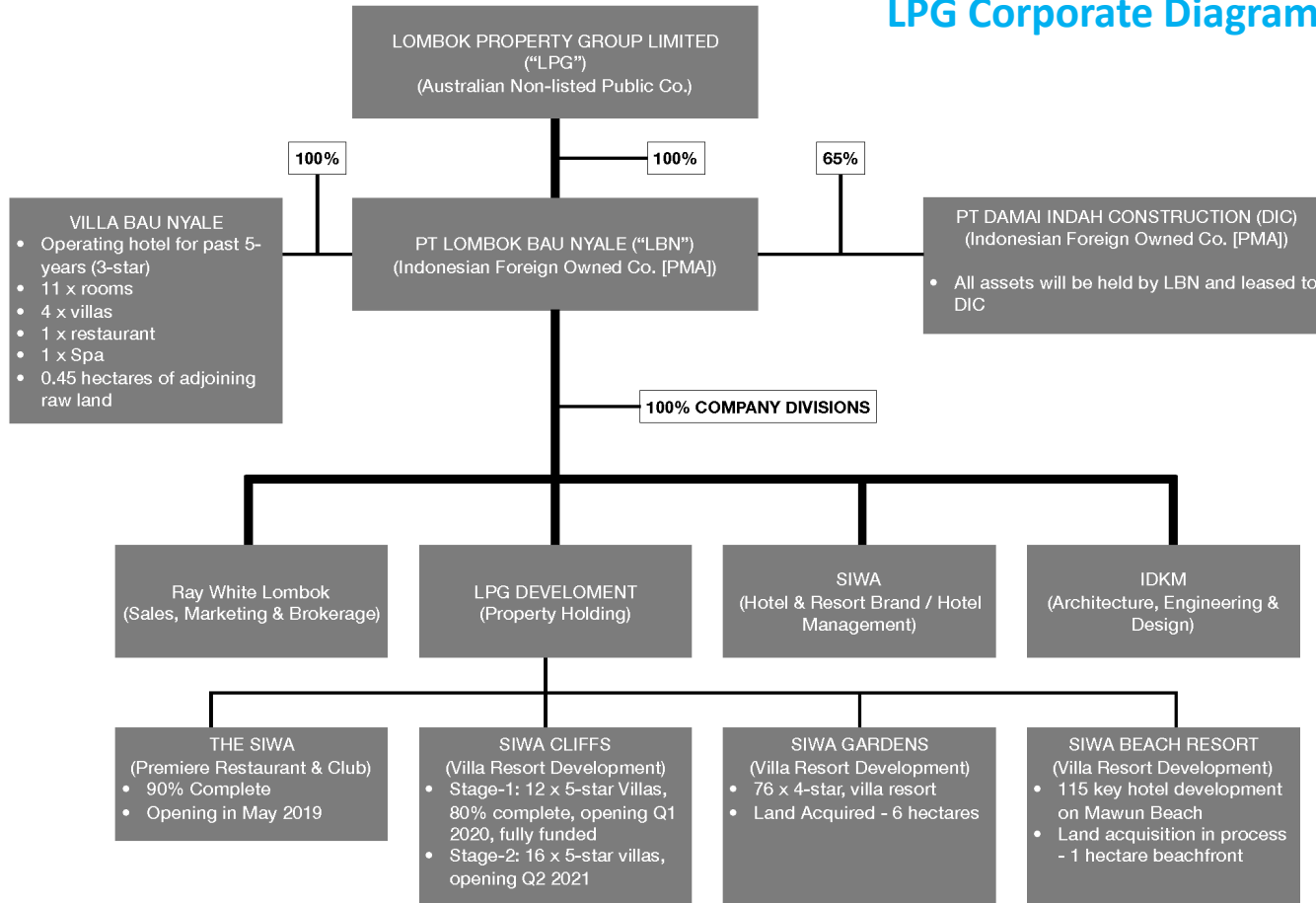
A\$27m* tangible asset breakdown

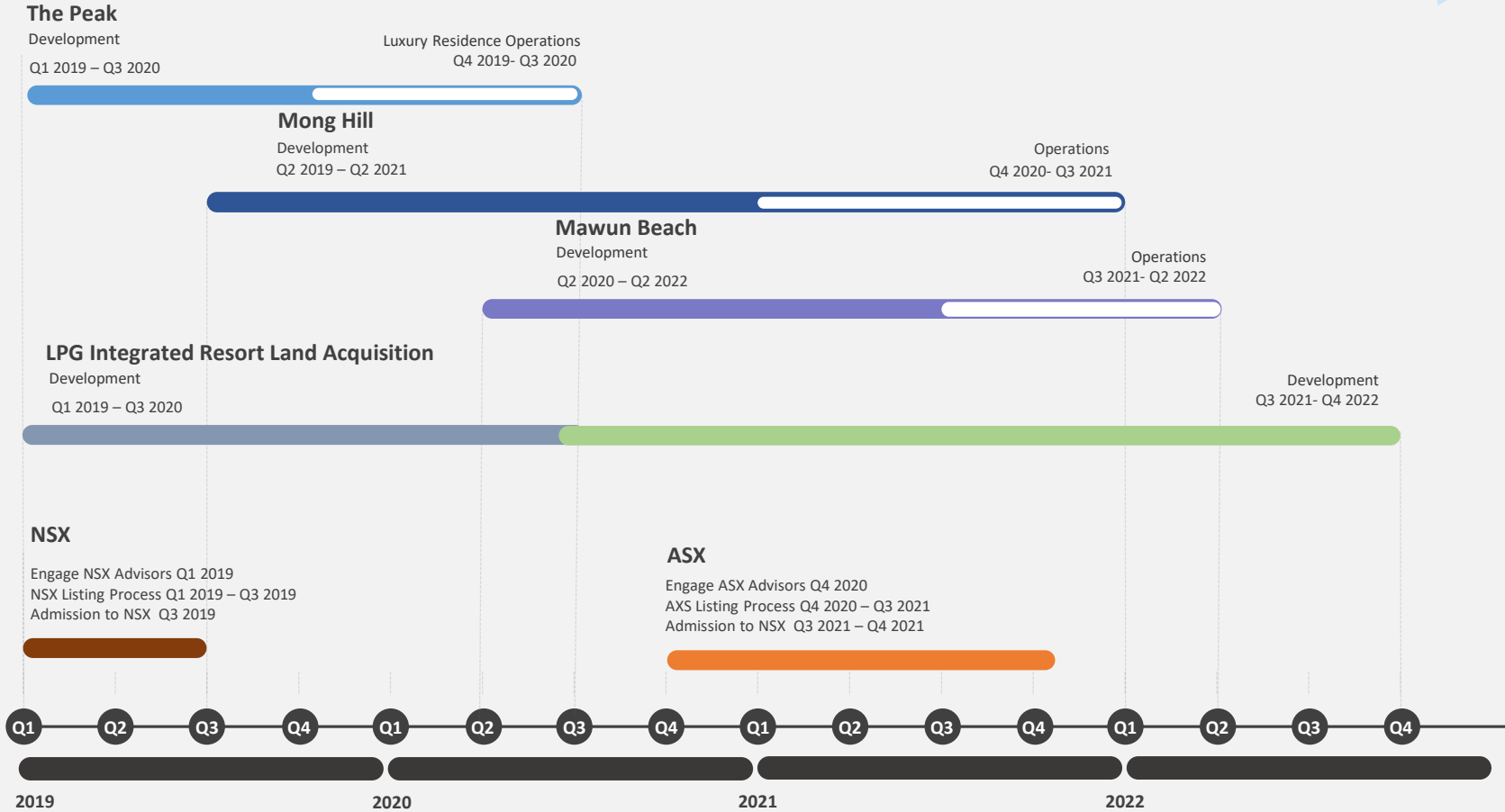


*This valuation excludes expected development margin, ongoing mgmt. fee income and the value of the ongoing construction and real estate arms.



LPG Corporate Diagram







Villa Damai Indah



The Siwa Club House



The Siwa Club House



Villa 3

Fund Structure

Investment Manager

Falcon Capital Limited

Australia AFSL No. 302538

FSCF

Cayman Islands

Directors – Conrad Warren and David Anderson

Portfolio Assets

**Portfolio Assets
Australasia**

AFF

Agricultural assets in
NSW and Western
Australia

Sapex

Core business units
across Australia,
Indonesia

LPG

Diversified Real Estate
and property services,
Lombok Island,
Indonesia

**Circle Investment Support
Services (Cayman) Limited**
Singapore

Administrator

Baker Tilly
Cayman

Auditors

Harney Westwood & Riegels
HK

Legal Adviser as to
Cayman Islands law

ANZ
Singapore

Banking

SUMMARY OF FUND EXIT STRATEGY

Australian Food & Farming

Debt

- Rabo senior bank LVR: from 40% to 50%, expected to achieve late 2019
- Use: to **refinance FSCF**
- Once land and livestock holdings reach scale and demonstrate their ability to **generate consistent cashflows.**

Equity

- This will be realised c.a. 2021 with a larger private equity round likely to be sought, that will further increase group **scale and holdings.**

Lombok Property Group

Debt

- Villas being sold on a 36 month internal finance plan. Within 12 to 18 months, LPG will have a portfolio of receivables holding land and title.
- At this point a refinance from a local financier will be pursued to release capital to the fund.

Equity

- Initial listing on NSX Australia has begun on the 22/02/2019 (Attended by Governor of Lombok and listing advisors from Australia.
- **IPO** on the NSX expected in Q3 2019.
- Planned **ASX migration** in 3 years.
- **Currently** the company has a recurring mgmt. fee income, portfolio of retained assets including operating day clubs, real estate brokerage and construction business.

Leading up to the end of the 2nd year, management will be exploring potential debt and equity refinancing opportunities at the fund level. As an open-ended vehicle, the fund allows for institutional parties to participate in the exit without changes to the fund structure being required.

FSCF
conservatively
leveraged
currently

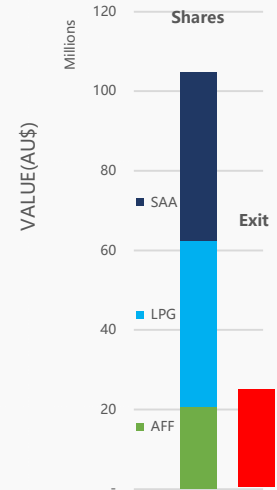
Sapex Group Limited

Debt

- **Rapid growth** resulting from the acquisition of PT SAS in Q4 2018
- Transition:
From an agent / margin taker
To an asset owner / provider
- Consolidated 100% of Indonesia's Durabase mat inventory.
- Secured Revenues Q1 2019: AU\$1.8m
- EBITDA Q1 2019: AU\$1.2m
- AU\$5.0m contracts secured in 2019
- Driving geographic and sector expansion
- Targeting AU\$12m 2020 EBITDA
- Once post consolidation earnings is established SAA will seek to refinance the FSCF note.

Equity

- Q2 2019: migrating from the NSX to the ASX in with broker discussions and lodging documents well advanced. FSCF will opportunistically consider an exit of some of its stake either as a block trade to an institutional investor or a strategic.



Fund Lifecycle:

- **Debt Exit 12 to 24 mths**
- **Equity Exit 24 mths+**



THANK YOU

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