



Peak Credit Fund I, L.P.

Quarterly Investor Report – 2024 Q1

April 2024

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1. Executive Summary

Welcome to the 2024 Q1 investor report of Peak Credit Fund I, L.P. (the "Fund").

Amid elevated geopolitical tensions and ongoing economic headwinds—driven by persistent inflationary pressures and higher interest rates across major economies—PCP remains focused on identifying opportunities that offer attractive risk-adjusted returns with strong downside protection. We are increasingly seeing compelling deployment opportunities in developed markets, particularly Australia. Australia's stable legal framework, diminished competition from traditional lenders, positive migration trends, and active financial sponsor community position it as relatively resilient compared to other developed markets facing greater recession risks, such as the UK.

The Fund's total commitment stands at USD 451.17 million. As of quarter-end, the Fund has completed 13 investments, with 9 fully exited and 4 currently active in the portfolio. The Fund has deployed over 118% of its committed capital, achieving a DPI (Distributions to Paid-In Capital) ratio of approximately 64%.

In the following sections, we present our latest market outlook, along with a detailed update on the Fund's portfolio and performance.

Please feel free to contact us with any questions. We sincerely thank you for your continued trust and support.

Sincerely,

The PEAK team

2. Insights

PCP has been actively sourcing and investing across Australia and New Zealand for nearly eight years, building deep expertise across a wide range of sectors, including agriculture, healthcare, consumer staples, and real estate.

Our initial entry into the Australia/New Zealand markets was in partnership with Asian corporates seeking flexible financing solutions to support their local operations and acquisition strategies. Over time, we have transitioned to developing a proprietary sourcing network, underpinned by our on-the-ground presence, strong market reputation, comprehensive deal coverage, and ability to deliver differentiated credit solutions that address specific market gaps.

While maintaining a flexible approach to sourcing opportunities, we have consistently upheld disciplined investment principles focused on downside protection, stakeholder alignment, and attractive risk-adjusted returns. This discipline has enabled us to navigate through various challenging market environments—including the post-COVID recovery, heightened geopolitical uncertainty, and the more recent inflationary and interest rate pressures—without compromising performance.

Except for Project Dessert, which was initiated in November 2023, all of our investments in the region have been successfully exited, delivering an aggregate unlevered IRR of approximately 12%. This track record compares favorably against a rising number of distressed cases across leveraged buyouts (notably within healthcare and consumer sectors), commercial real estate, and residential development projects where capital impairments have become prevalent or increasingly likely.

Our returns in Oceania should also be viewed in the context of historically low interest rates over much of the past decade, as illustrated in the chart below.

Opportunity

The recent cycle of monetary tightening, coupled with a pullback in traditional bank lending, has created a significant dislocation between credit demand and supply. This dynamic has resulted in increasingly attractive risk-adjusted returns for alternative credit providers like PCP.

The housing sector has seen the sharpest contraction in bank lending, as regulators have targeted banks' concentration risk—residential mortgages currently account for approximately 60% of total outstanding loans within the banking system. At the same time, the sector faces additional pressures from builder insolvencies and elevated construction costs. Although credit contraction has curtailed new housing supply, underlying demand remains resilient, supported by strong and sustained migration trends. This growing supply-demand imbalance presents a compelling opportunity for alternative lenders to fill the financing gap, with clear visibility on repayment sources.

Financial sponsor activity has also remained resilient despite broader economic challenges. Control-oriented leveraged buyouts have gained prominence; however, tighter capital requirements have restricted banks' ability to provide leveraged financing. This environment enhances opportunities for alternative credit providers to offer flexible financing solutions at prudent leverage levels with strong lender protections.

At the same time, borrowers have become more discerning in selecting financing partners, favoring lenders with reputations for constructive, partnership-based approaches over aggressive "loan-to-own" strategies. Furthermore, some incumbent credit providers—having incurred losses on legacy positions—have adopted more conservative risk appetites, creating refinancing opportunities for well-capitalized new entrants like PCP.

These favorable market conditions are driving a robust pipeline of opportunities that PCP is actively evaluating across multiple sectors. We are excited about the prospects ahead and remain committed to deploying capital into investments that offer compelling risk-adjusted returns and strong downside protection for our investors.

3. Portfolio Update

3.1 Portfolio Update

Project Aurora

- Approximately USD 11.43 million was invested in April 2022 to finance a Hong Kong real estate developer, secured by a parcel of residential land in a well-established suburb of Sydney, Australia.
- The proceeds were used to repurchase the developer's USD-denominated offshore bonds, which were trading at a discount.
- The borrower was unable to repay the loan by its maturity in April 2023. PCP has been working closely with the borrower to facilitate the disposal of the collateral, with sale proceeds earmarked for repayment of both principal and interest. A receiver appointed by PCP successfully executed the sale, with proceeds sufficient to cover the principal. Efforts are ongoing to recover outstanding interest, including negotiations to secure additional pledges.
- As of July 2023, the borrower had prepaid approximately 17.5% of the loan principal. In March 2024, a further 81.5% of the loan principal was recovered, bringing the position close to full recovery. Additional payments are anticipated over the coming months, with no loss of principal expected.

Project Evergreen

- In May 2022, USD 90 million was invested through an exchangeable bond (EB) issued by one of Vietnam's largest conglomerates to support investment into its renewable energy subsidiary.
- The EB is secured by shares in two of the issuer's listed subsidiaries.
- In August 2023, the renewable energy subsidiary successfully listed on the NASDAQ via a de-SPAC transaction, achieving a valuation of USD 20.7 billion. This milestone significantly broadened financing options for both the issuer and its subsidiary, strengthening their liquidity positions.
- Additionally, the issuer's subsidiaries have successfully accessed capital markets both

domestically and internationally, including securing a USD 225 million loan from offshore investors. This has further bolstered the group's overall liquidity.

Project Skyview

- In May 2023, approximately USD 54.45 million was drawn from the Fund, secured initially by a second-ranking charge over the Project Horizon collateral. Following full repayment of the Project Horizon loan in July/August 2023, an additional tranche became available, secured by a first-ranking charge over unsold residential units in the Horizon development.
- The loan proceeds were used to fund the acquisition of additional real estate assets, refinance an existing loan, and provide working capital to the sponsor.
- The facility carries a two-year term with a target IRR of 14% (with leverage), with an initial loan-to-value (LTV) of under 45%, improving to under 40% after the additional drawdown.
- In August 2023, after the repayment of Horizon, the borrower drew down an additional USD 68.31 million. Concurrently, the Fund executed non-recourse leverage on the position.

Project Dessert

- In November 2023, approximately USD 60.57 million was invested to provide financing to an Australian real estate developer, secured by residual inventory units in a completed project ("Completed Project") and a redevelopment site ("New Project").
- Both assets are located in established suburbs of Sydney, in proximity to metro stations and key social infrastructure.
- The financing proceeds were used to repay the senior construction loan on the Completed Project and fund the acquisition of units in the New Project.
- The financing carries a two-year term, extendable by one year with mutual consent, and targets a 15% IRR (with leverage).
- The loan-to-value at drawdown was approximately 65%.
- During the first quarter of 2024, the project recorded partial principal repayments along with interest payments and remains on track.

3.2 Future Pipeline

Project Name	Size (USD mm)	Sector	Geography	Maturity (Years)	Capital Structure
Project WonderfulSky	45	Green	Singapore	3	Mezzanine
Project Yoga	45	Real Estate/ Bank	Vietnam	3	Senior
Project Award	90	Education	Singapore/ SE Asia/UK	3-5	Senior
Project Horizon	45	Energy	Indonesia	3	Senior
Project AIA	45	Green	Hong Kong/ China	3	Preferred Equity
Project Award	90	Real Estate (Residential)	Australia	2	Senior

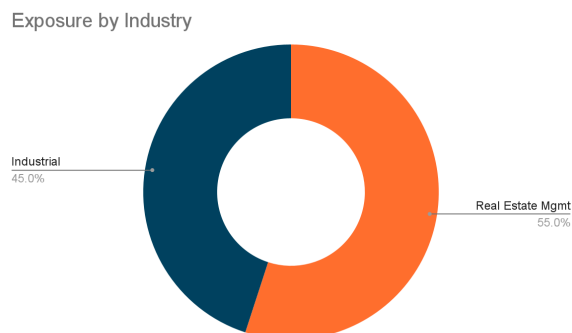
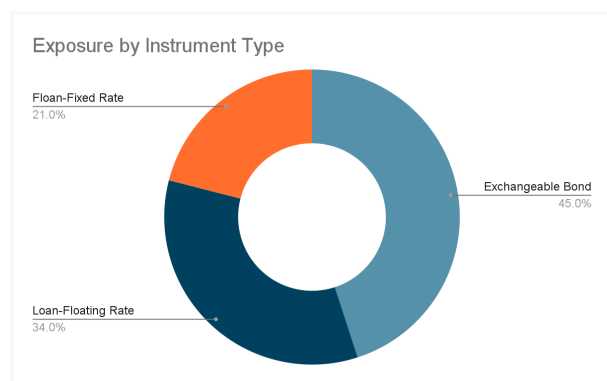
4. Performance Summary

4.1 Unaudited Valuation Report

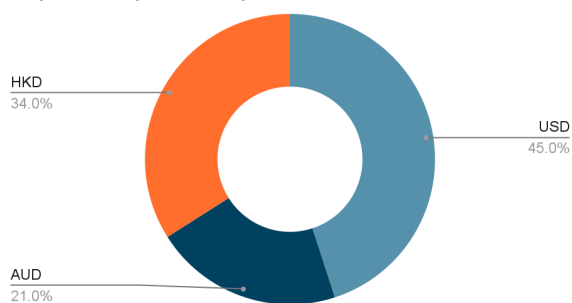
Please see the unaudited summary of the Fund's portfolio below:

Project Name	Investment Type	Cost in USD	Fair Value in USD	Interest/Fee Receivable in USD	Total in USD	Currency Exposure	GICS Industry
Project Aurora	Loan – Fixed rate	188,602	115,284	1,745,090	1,860,374	USD	Real Estate Management & Development
Project Evergreen	Exch. Bond	90,000,000	104,154,146	1,410,000	105,564,146	USD	Industrial Conglomerate
Project Skyview	Loan -- Floating rate	71,894,469	73,291,417	4,495,908	77,787,325	HKD	Real Estate Management & Development
Project Dessert	Loan -- Floating rate	48,444,840	48,196,363	405,284	48,601,647	AUD	Real Estate Management & Development
Total		210,527,911	225,757,210	8,056,282	233,813,492		

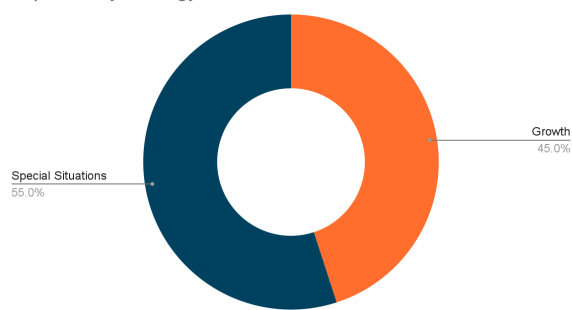
Please find the exposure analysis of the Fund's portfolio below:



Exposure by Currency



Exposure by Strategy



4.2 Unaudited Fund Information

The Fund's aggregate commitment is USD 451.17mm.

During the quarter, the Fund had the following capital activities:

- A net distribution of USD 9.9mm in January 2024, comprised of the following:
 - A distribution of USD 10.44mm for partial repayment and interest income from Project Dessert.
 - A capital call of USD 0.54mm for expenses.
- A net distribution of USD 8.73mm in February 2024, comprised of the following:
 - A distribution of USD 8.91mm for partial repayment and interest income from Project Skyview and Project Dessert.
 - A capital call of USD 0.18mm for expenses.
- A net distribution of USD 8.73mm in March 2024, comprised of the following:
 - A distribution of USD 10.08mm for partial repayment and interest income from Project Skyview and Project Dessert.
 - A capital call of USD 1.35mm for expenses and management fee.

Commitment	\$451,132,490
Undrawn commitment	\$251,941,559
Called capital to date	\$694,043,923

Distribution to date	(\$494,852,992)
Net capital contribution	\$199,190,930

4.3 Unaudited Accounts of the Fund

Please see the summary of the Fund's performance below:

	Fund Total
Commitment as of period end	\$451,132,490
Beginning total Limited Partners' capital balance	\$266,497,007
Drawdown for the period	\$1,989,205
Distribution for the period	(\$29,431,771)
Interest and fee income for the period	\$7,812,722
Management fee for the period	(\$663,413)
Investment related expense/(reversal) for the period	(\$2,868,421)
Fund service expense for the period	(\$114,858)
Unrealized gain/(loss) of investments for the period	(\$1,567,283)
Realized gain/(loss) of investment for the period	\$152,229
Unrealized gain/(loss) on financial instruments for the period	(\$110,859)
Carried interest (accrual)/reversal for the period	-

	Fund Total
Ending total Limited Partners' capital balance	\$242,382,903

Reports of unaudited accounts have been distributed by the Fund's independent sub-administrator, Peak Capital Partners Fund Services (New York) Ltd.