Product Assessment

Report as at 11 Aug 2026

APPROVED

ORDE Income Fund

Rating issued on 07 Aug 2026 | APIR: OCL1768AU

Investment objective

To outperform the RBA Official Cash Rate by 1.65% p.a. (net of fees) with low capital volatility.

Manager	ORDE Financial Pty Ltd
Distributor	ORDE Financial Pty Ltd
Sector	Australian Fixed Interest \ Private Credit
Investment Style	Active
RI Classification	Aware
Absolute Risk	Moderate
Relative Risk	Active - Benchmark Unaware
Investment Timeframe	5-6 Years
Zenith Benchmark	Bloomberg AusBond Bank Bill Index
Min Investment Amount	$1,000
Redemption Frequency	Annually
Income Distribution	Monthly
Fund Size (31 Jul 2026)	$122.10M
Management Cost	1.00% p.a. Incl. GST
Performance Fee	Up to 0.40% p.a. once investment distributions meet performance benchmark
Buy / Sell Spread	0.00% / 0.00%
Inception Date	04 Feb 2026
Offer Document	IM

Fund facts

- A pool of direct first registered mortgages primarily backed by residential, industrial and commercial assets
- Engages primarily in alt-doc and self-employed mortgage lending
- Maintains funded reserve accounts to support income stability and assist with managing capital or income shortfalls

Viewpoint

This product is offered via an Information Memorandum and as such can only be invested in by Sophisticated (Wholesale) Investors (see definition under Portfolio Applications).

The Fund, managed by ORDE Financial (ORDE), provides exposure to a 'whole mortgage pool' of primarily Alt-doc borrowers. In Zenith's opinion, the strategy offers access to a differentiated residential lending strategy, with returns largely driven by the quality of ORDE's underwriting. As the level of underlying borrower diversification increases and ORDE demonstrates its ability to manage a fund vehicle alongside its private warehouse structures and the potential conflicts, Zenith expects its conviction will increase over time.

ORDE employs over 200 staff organised across key functional areas including loan origination, credit underwriting, loan servicing, treasury/funding, portfolio management and governance. ORDE's core investment team comprises 10 members and is led by Paul Wells, CEO and Ryan Harkness, COO, both of whom have extensive experience across non-bank lending.

ORDE seeks to outperform the RBA Official Cash Rate plus 1.65% p.a. (net of fees) by investing in a diversified portfolio of predominantly residential mortgage loans, complemented by exposures to commercial, industrial and development lending within defined portfolio ranges.

The strategy provides exposure to a 'whole mortgage pool' portfolio, which is effectively a collection of mortgages to retail investors, held under equitable assignment, with interest payments and early loan amortisations flowing through as income returns. Investors are exposed to the ability of borrowers to meet their repayment obligations and in the event of default, the value of the underlying collateral exceeds the outstanding loan balance.

In our opinion, the 'whole mortgage pool' strategy provides a sound access point to the residential mortgage sector, with return outcomes driven by the quality of the firm's underwriting. Further, as the originator, ORDE can actively manage the risk profile of the types of loans and collateral that it underwrites. Notwithstanding this, with ORDE as the originator and fund manager, investors lose the benefit of diversifying across multiple underwriting approaches and the structural protection of tranching and equity cushions.

ORDE's assessment of creditworthiness focuses on borrower income and employment verification, serviceability and collateral security. This includes analysis of borrower income and expenses (including PAYG and self-employed borrowers), application of servicing buffers, and reliance on security through first registered mortgages supported by independent valuations.

The portfolio is intended to comprise a diversified pool of underlying mortgages across property types, geographic regions and borrower segments. Given the Fund's recent launch and current scale, the portfolio remains relatively concentrated compared to more established peers. As at 31 July 2026, the loan pool comprises approximately 180 borrowers with the top 10 exposures accounting for 15% of the net asset value (NAV) of the portfolio.

In Zenith's opinion, it is imperative that ORDE builds out its underlying borrower base and reduce the level of individual borrower risk. Further, this risk is amplified given the focus on Alt-doc lending, which is at the riskier end of the non-bank lending spectrum.

ORDE charges a management fee and a performance fee (internally referred to as a 'benchmark delivery' component). In addition, it retains application fees and early repayment fees. In Zenith's opinion, the cost structure is well below best practice, with ORDE retaining a disproportionate share of fee revenue.

Fund analysis

Fund characteristics

Constraint	Value
Cash or liquid securities	Typical target: 1% of FUM
Individual loan size	Maximum: $10m
Fund LVR	Maximum: 80%
Loan term	Average loan life: 2 years
Security type	
Residential	30% to 80%
Commercial	5% to 40%
Industrial	5% to 30%
Rural	0% to 15%
Development finance	0% to 15%
Vacant land	5% to 15%
Geographic allocation	
ACT	0% to 10%
NT	0% to 5%
NSW	10% to 50%
QLD	5% to 40%
SA	0% to 10%
TAS	0% to 5%
VIC	10% to 50%
WA	0% to 20%
Interest rate type	
Variable	Target: 80% - 100%
Fixed	Target: 0% - 20%

Investment objective and philosophy

ORDE targets returns in excess of the RBA Official Cash Rate plus 1.65% p.a. (net of fees) by investing in a diversified portfolio of Australian first mortgage loans, primarily across residential exposures, with allocations to commercial, industrial, development and other asset types within defined portfolio ranges.

The strategy focuses on lending to borrowers under serviced by traditional banks, including self-employed and alternative documentation borrowers. ORDE seeks to capture higher yields available in these segments through disciplined underwriting, conservative lending parameters and portfolio diversification.

ORDE's investment philosophy is centred on maintaining asset quality through structured credit assessment, conservative LVRs, and active portfolio management. This includes ongoing monitoring of borrower performance and a focus on early intervention and recoveries where required, with the objective of generating stable income and preserving investor capital.

ORDE asserts that mortgage lending is an attractive source of income relative to traditional fixed income assets, reflecting the additional return available for assuming credit, collateral and liquidity risk, as well as exposure to borrower behaviour and loan prepayment dynamics.

The strategy provides exposure to a 'whole mortgage pool' portfolio, which is effectively a collection of mortgages to retail investors, held under equitable assignment, with interest payments and early loan amortisations flowing through as income returns. Investors are exposed to the ability of borrowers to meet their repayment obligations and in the event of default, the value of the underlying collateral exceeds the outstanding loan balance.

Zenith highlights that the strategy differs to a traditional private warehouse structure where a bank (or major lender) typically provides the first 90% of the lending (expressed as a % of the value of the loan pool (loan-to-value-ratio (LVR)), a mezzanine lender provides the next 5% to 7% and the mortgage originator provides the bottom three per cent of equity or first loss cushion.

Notwithstanding the differing risk and return characteristics of senior, mezzanine and equity warehouse tranches, under the Funds' whole mortgage structure, investors do not have the benefit of an equity cushion (noting the small arrears reserve) and therefore have a lower attachment point and are more exposed to losses arising from arrears and defaulting borrowers.

In our opinion, the 'whole mortgage pool' strategy provides a sound access point to the RMBS sector, with return outcomes driven by the quality of the firm's underwriting. Further, as the originator, ORDE can actively manage the risk profile of the types of loans and collateral that it underwrites. Notwithstanding this, with ORDE as the originator and fund manager, investors lose the benefit of diversifying across multiple underwriting approaches and the structural protection of tranching and equity cushions.

Portfolio applications

This product is offered via an Information Memorandum and as such can only be invested in by Wholesale Investors. To be recognised as a Sophisticated (Wholesale) Investor, you must meet one of the following characteristics as identified in subsections 708(8) to 708(20) of the Corporations Act:

- ***Net Assets of at least $2.5 million; or***
- ***Gross Income for each of the last two financial years of at least $250,000 p.a.***
- ***These conditions must be certified via a certificate given by a qualified accountant no more than six months before the offer [to be invested into] is made.***

If you do not meet at least one of the above criteria, you are deemed to be a retail investor and therefore cannot invest in this Fund.

Residential mortgages are fixed interest securities where returns are generated from a pool of mortgages obligations with the underlying borrowers typically pay a floating interest rate (based on a margin above BBSW) to ORDE. While the Fund is managed with a broad investable universe that includes niche segments such as rural and vacant land, it is expected that the majority of loans will be made to residential borrowers and to a lesser extent, commercial and industrial borrowers.

Zenith believes the Fund may be suitable for investors seeking exposure to a higher-yielding strategy, which may improve a portfolio's potential risk/return profile. However, given the Fund's portfolio is concentrated in real estate mortgages with a focus on alt-doc lending opportunities, it may not be suitable for the more risk-averse investor. Rather, Zenith believes it may be suitable as a satellite exposure and should blend well with traditional fixed interest strategies to produce a more balanced set of investment outcomes.

Liquidity

ORDE operates a '12-month Investment Account', whereby investor funds are committed for a fixed 12-month term upon entry. Investors are generally not permitted to withdraw their capital prior to the expiry of this term. At maturity, funds may be withdrawn provided a withdrawal request is submitted at least 30 days prior to the maturity date. In the absence of a withdrawal request, the investment will automatically roll over for a further 12-month period.

Once the initial 12-month period expires, investors seeking to continue their investment may either roll into a new 12-month term or elect to participate in a 'Regular Withdrawal Plan' Under this plan, investors may access a proportion of their capital periodically, including either (i) monthly withdrawals of up to 1/12th (8.3%) of capital for up to three months within a 12-month period, or (ii) quarterly withdrawals of up to 25% of capital.

Withdrawals by platform investors are processed monthly; however, ORDE may limit total withdrawals to 3% of the platform investor's total investment per month.

ORDE has structured these mechanisms alongside its broader liquidity framework (including portfolio cashflows and committed funding arrangements) to support an orderly matching of assets and liabilities, and to lessen the risk of large, sentiment-driven redemption events. Accordingly, investors should consider whether this structure aligns with their liquidity requirements.

Whilst these mechanisms provide some flexibility over time, Zenith notes that liquidity remains constrained by the underlying illiquid nature of mortgage assets. As such, the Fund should not be viewed as a substitute for cash or utilised as a source of readily available liquidity. Notwithstanding the staggered maturity profile and withdrawal features, these structures do not eliminate the risk of delays or clustering of redemption requests, particularly in stressed market conditions.

Notwithstanding the relevant experience of key individuals, Zenith will continue to monitor the team's ability to manage liquidity through market cycles, including periods of market stress, particularly given the embryonic nature of the Fund and the fact that it represents ORDE's first open-ended investment vehicle.

Fund responsible investment attributes

Key Information	Description
Zenith RI classification*	Aware
Has Responsible Investment Policy	No

Key Information	Description
PRI Status	
PRI Signatory	No

*Zenith RI Classification scale:

- Traditional
- Aware
- Integrated
- Thematic
- Impact

Absolute performance

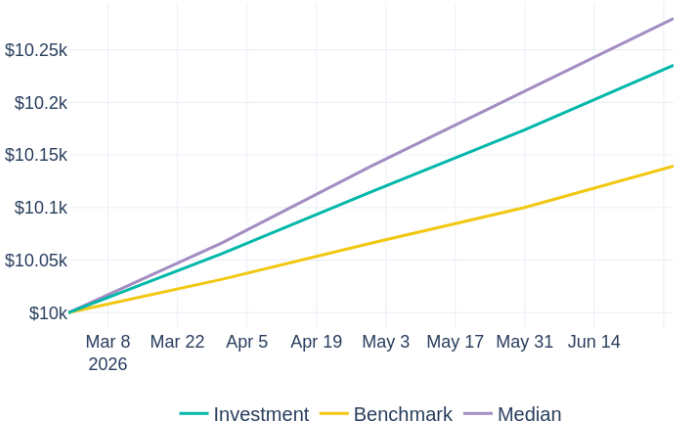
Performance as at 30 Jun 2026

Monthly performance history (%, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	BM YTD*
2026			0.56%	0.58%	0.58%	0.60%							2.35%	1.40%

**Bloomberg AusBond Bank Bill Index*

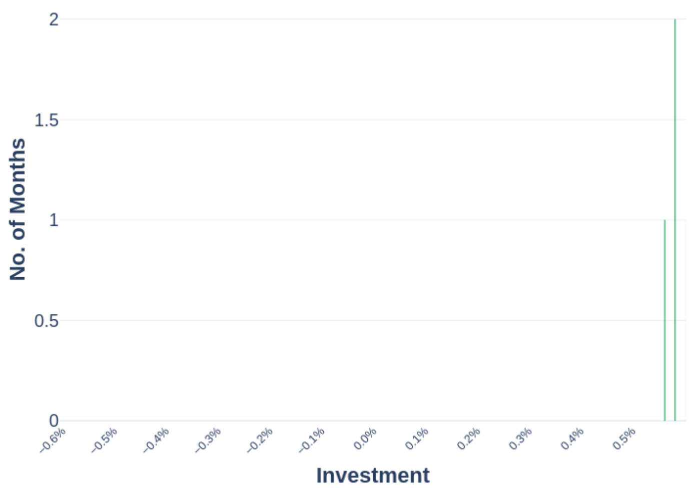
Growth of $10,000



Risk / return

Insufficient data for this chart

Monthly histogram



Minimum and maximum returns (% p.a.)

Insufficient data for this chart

Absolute performance analysis

Instrument	1 Mth	3 Mths	Inception
Investment	0.60%	1.78%	2.35%
Benchmark	0.39%	1.07%	1.40%
Median	0.67%	2.12%	2.80%
Cash	0.39%	1.07%	1.40%

Ranking within sector (p.a.)

Ranking within Sector
Fund Ranking
Quartile

Absolute risk

Instrument
Standard Deviation (% p.a.)
Investment
Benchmark
Median
Downside Deviation (% p.a.)
Investment
Benchmark
Median

Absolute risk/return ratios

Instrument
Sharpe Ratio (p.a.)
Investment
Benchmark
Median
Sortino Ratio (p.a.)
Investment
Benchmark
Median

Zenith benchmarks funds within the 'Australian Fixed Interest - *Private Credit* ' peer group against the Bloomberg AusBond Bank Bill Index. While this benchmark may not be consistent with the one adhered to by all sector participants, it has been adopted to provide investors with a common reference point against which the performance of similarly structured strategies may be assessed.

ORDE seeks to outperform the RBA Official Cash Rate by 1.65% p.a. (net of fees) with low capital volatility.

All commentary is current as at 31 May 2026 .

Given the Fund's February 2026 inception date, the track record is too short to draw any meaningful conclusions.

Relative performance

Excess returns

Statistic	1 Mth	3 Mths	Inception
Excess Return	0.21%	0.71%	0.96%
Monthly Excess (All Mkts)	100.00%	100.00%	100.00%
Monthly Excess (Up Mkts)	100.00%	100.00%	100.00%
Monthly Excess (Down Mkts)	0.00%	0.00%	0.00%

Capture ratios (% p.a.)

Statistic	1 Mth	3 Mths	Inception
Downside Capture	0.00%	0.00%	0.00%
Upside Capture	154.91%	165.50%	168.11%

Tracking error (% p.a.)

Instrument
Investment
Median

Information ratio

Instrument
Investment
Median

Beta statistics

Statistic
Beta
R-Squared
Correlation

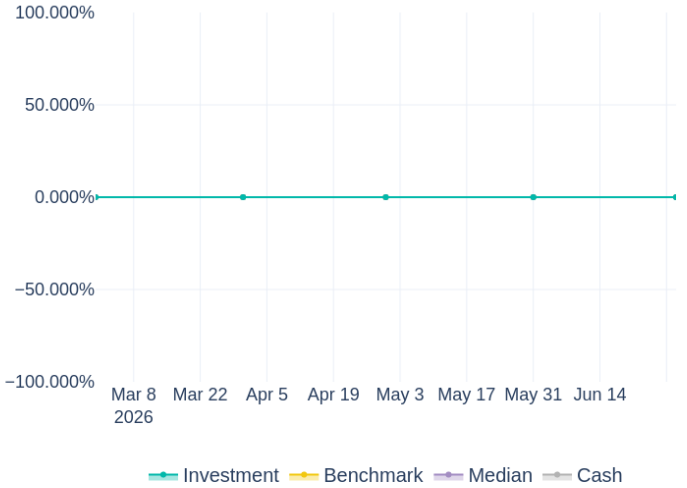
The following commentary is current as at 31 May 2026 .

Zenith seeks to identify funds that can outperform in over 50% of months in all market conditions, as we believe this represents consistency of manager skill.

Given the Fund's February 2026 inception date, the track record is too short to draw any meaningful conclusions.

Drawdown analysis (since inception)

Drawdown analysis assesses the relative riskiness of a Fund versus the benchmark, in reference to capital preservation. The maximum Drawdown is recorded as the percentage decline in the value of a portfolio from peak to trough (before a new peak is achieved). All Drawdown analysis is calculated commencing from the inception date of the Fund in question, and Drawdown analysis for the Fund and benchmark(s) are calculated independently. That is, the largest drawdown for the Fund and benchmark(s) will not always refer to the same time period.



All commentary is current as at 31 May 2026 .

The Fund is not subjected to the same mark-to-market pricing that is commonly observed across more traditional fixed interest strategies. As such, an assessment of the Fund's drawdown profile is not a meaningful measure of peer relative performance.

Fund commentary

Fund risks

Zenith has identified the following key risks of the Fund. Although Zenith believes the risks noted are all significant, we have listed them in order of importance. In addition, we have not intended to highlight all possible risks.

Credit risk: The majority of the Fund's loan book comprises low-doc loans. Low-doc lending practices tend to be inherently more exposed to default risk than full-doc loans. While ORDE has extensively tailored its processes to apply a full-doc type regime, credit risk is elevated compared to more traditional lending in this sector.

Borrower default risk: This risk is heightened due to the alt-doc lending focus, and as such, arrears management processes are critical. ORDE has a defined arrears management process, coupled with operating under restrained lending limits, to manage these risks, however they will remain elevated compared to more traditional lending in this sector.

Governance risk: ORDE employs an internal trustee model and is both the investment manager and the trustee for the Fund. Further, there are inherent risks in the business model of managing private warehouse vehicles alongside a fund, in terms of allocating to mortgages to different pools and the underlying rationale.

Mortgage risk: The Fund provides direct access to a pool of mortgages with investors directly exposed to ORDE's underwriting and the ability of its borrowers to meet their repayment obligations. Unlike a traditional RMBS strategy, where there is tranching and protection via an equity cushion (from the originator), investors are directly exposed to the performance of the asset pool and any potential arrears.

Mortgage transfer risk: ORDE's business is structured such that the 'lender of record' for its originated mortgages is generally an SPV or Note trustee, which allows it to transfer mortgages between the Fund and other private warehouse vehicles. There is a risk that performing mortgages are transferred from the Fund to other vehicles, to assist with optimising funding costs or managing arrears, which could be to the detriment of performance.

Longevity risk: Funds that fail to grow FUM to a scalable level could be wound up and terminated by the Responsible Entity. The risks associated with a fund wind up are principally that of timing, performance slippage, and the realisation of capital gains, which may not be suitable. As at 31 July 2026, FUM in the Fund remains relatively low at approximately $A 122.1 million.

Limited redemption risk: The Fund is subject to liquidity restrictions including no access to capital over the first twelve months and further limits over the ensuing twelve month period. Therefore, the Fund may not be suitable for investors requiring immediate access to capital.

Asset class risk: Although the Fund offers diversity in terms of regions, sectors, issuers, securities and maturities, the majority of the portfolio is exposed to the performance of the domestic residential property. As such, a key risk to the performance of the Fund is a significant deterioration in this market, which could result in asset write-downs and default arrears; ultimately resulting in portfolio losses.

Development risk: Lending to finance property development or construction projects is an elevated risk proposal where a multitude of factors can impede a borrower's ability to service loans. Whilst the firm limits lending to this sector and uses both 'market' and 'as if complete' independent valuations to aid risk management, risks are higher compared to lending on stable, cash flow generating assets.

Security/asset selection

ORDE's mortgage investment selection process comprises three distinct stages:

- Loan origination
- Loan approval and underwriting
- Portfolio construction

The loan origination process leverages an extensive national broker network, supported by ORDE's internal origination and distribution capability. Loans are originated across the broader ORDE lending platform and may be allocated across multiple funding sources, including warehouse facilities, institutional investors and the Fund.

Following origination, loans are subject to a structured credit assessment process aligned with ORDE's underwriting standards. This includes verification of borrower financial position, income and serviceability, together with an assessment of collateral quality and loan structure. Credit approval is undertaken in accordance with internal delegation frameworks, with more complex or higher risk loans subject to enhanced review.

ORDE's assessment of creditworthiness focuses on borrower capacity, collateral value and loan sustainability. This includes detailed analysis of borrower income and expenses, application of servicing buffers, and verification of supporting financial information. All loans are secured by registered first mortgages over Australian real property, with independent valuations obtained at origination and, where required, during the life of the loan.

In the case of PAYG borrowers, income verification is undertaken through review of recent payslips together with supporting documentation (such as employment letters, income statements, notices of assessment or bank statements), with an independent employment check conducted as part of the assessment process. For self-employed borrowers, income is verified through full documentation (e.g. tax returns and financials) or alternative documentation (e.g. accountant declarations, BAS or bank statements), depending on the borrower profile. Further, independent valuations are obtained from external valuers prior to loan approval, with legal documentation prepared to ensure enforceability of the Fund's security position.

In Zenith's opinion, ORDE's credit assessment process is sound, incorporating verification of borrower income, employment stability and collateral quality, supported by conservative lending parameters. Given the nature of the loan portfolio and borrower base, Zenith believes the approval process provides an appropriate layer of risk mitigation.

Responsible investment approach

ORDE has an established Environmental, Social and Governance (ESG) Policy that was last updated in May 2024. Further, ORDE is not a signatory of the United Nations Principles for Responsible Investment (PRI)

ORDE incorporates environmental, social and governance (ESG) considerations within its broader credit assessment and risk management framework. ESG factors are considered on a case-by-case basis during loan origination, particularly where they may impact the value, risk profile or intended use of the underlying security property.

Portfolio construction

The portfolio management function is responsible for allocating loans originated by ORDE into the Fund, selecting exposures that meet its credit underwriting standards and portfolio construction parameters, with a focus on risk/return, diversification across geographies and asset types, and maintaining an appropriate liquidity profile.

Zenith highlights that, at present, loans are initially originated and held within ORDE warehouse facilities, with the portfolio constructed through the subsequent allocation of these loans (subject to meeting the Fund's criteria) into the Fund at the point of transfer.

The portfolio is intended to comprise a diversified pool of underlying loans across property types, geographic regions and borrower segments. Given the Fund's recent launch and current scale, the portfolio remains relatively concentrated compared to more established peers. As at 31 July 2026, the loan pool comprises approximately 180 borrowers with the top 10 exposures accounting for 15% of the net asset value (NAV) of the portfolio.

In Zenith's opinion, it is imperative that ORDE builds out its underlying borrower base and reduce the level of individual borrower risk. Further, this risk is amplified given the focus on Alt-doc lending, which is at the riskier end of the non-bank lending spectrum.

Sector allocations and concentration limits are actively monitored, with portfolio parameters applied to manage exposures across asset classes, borrower types, loan sizes and geographic concentrations.

Portfolio construction incorporates the matching of underlying loan cashflows and maturities with investor redemption obligations. Investor outflows are managed through a staggered investment maturity profile, while asset-side liquidity is generated through loan repayments, refinancing activity and portfolio turnover.

Potential mismatches between assets and liabilities are managed through diversification of loan maturities and ongoing portfolio turnover. The strategy exhibits relatively short effective loan durations (typically one to three years, with an average of two years), contributing to a consistent flow of repayments. In addition, under the terms of the Information Memorandum, ORDE maintains contractually committed funding from institutional partners, providing liquidity for a minimum 25% of the Fund’s mortgage assets, across all asset types (currently this support stands at 100%).

In Zenith's opinion, the portfolio construction process provides diversification across key risk factors including geography, borrower type, asset class and loan characteristics. The vertically integrated platform supports this process by providing access to a broad pipeline of originated loans, allowing ORDE to selectively allocate exposures to the Fund in line with its portfolio parameters.

Risk management

ORDE's approach to risk management is primarily driven by the application of its credit underwriting framework and portfolio construction parameters. While the Fund invests across a range of mortgage segments (including residential, commercial and development finance), the risk of arrears and portfolio losses is managed through the following:

- Loan to value (LVR): Maximum LVR of 80%, with typically lower levels applied depending on borrower and asset risk
- Loan size: Maximum loan size of $10 million, with additional limits on larger exposures within the portfolio
- Borrower assessment: Detailed credit assessment of borrower capacity, income and expenses, with structured serviceability buffers applied
- Borrower type: Exposure across a range of borrower types (including individuals, companies and self-employed borrowers)
- Portfolio diversification: Diversification across geography, property type, borrower type, settlement date and loan term
- Loan seasoning and turnover: Portfolio characterised by relatively short realised loan durations, with an average loan life of approximately two years

Portfolio construction constraints limit higher risk exposures, including caps on development lending and a prohibition on second mortgages. Risk is further managed through the use of independent valuations at origination and where required, and through daily monitoring of borrower performance and portfolio metrics.

The Fund is offered under an Information Memorandum structure where ORDE is both the investment manager and the trustee, noting the 'internal trustee' model.

Zenith highlights that given the embedded conflicts in the business model of managing private mortgage pools alongside a public-offer fund, we firmly believe that an external trustee should be appointed to oversee the interests of fund investors and also align the offering with best practice.

The Fund incorporates two reserve accounts:

- Arrears reserve: Target of 0.20% of FUM, intended to support stability of income distributions
- Portfolio reserve: Target of 0.40% of FUM, intended to assist in managing capital or income shortfalls

These reserves are limited in size and do not eliminate the risk of loss.

Zenith notes that both reserves were funded by ORDE at inception. The arrears reserve will continue to be fully funded by ORDE. The portfolio reserve will initially be funded by ORDE to match new investor contributions and will also receive contributions from the Fund’s residual income on a monthly basis where available.

Zenith highlights that the aforementioned reserves are typically lower relative to the equity tranche of a private RMBS warehouse, therefore investors have less subordination protection and bear greater risk of capital loss. In our opinion and to enhance the level of alignment, ORDE should maintain an arrears reserve that is comparable to its private warehouse vehicles.

The portfolio is managed within a detailed liquidity framework, with a set of levers in place to ensure that liquidity ratios are maintained in accordance with risk appetite settings. The framework manages liquidity via a combination of loan repayments, diversified investment maturities and a committed funding framework. Further, ORDE targets maintaining committed funding capacity sufficient to convert at least 25% of the portfolio into cash, supported by ongoing monitoring and stress testing.

Notwithstanding the relevant experience of key individuals, Zenith will continue to monitor the team's ability to manage liquidity through market cycles, including periods of market stress, particularly given the embryonic nature of the Fund and the fact that it represents ORDE's first open-ended investment vehicle.

In terms of mortgage arrears, any additional income received from borrowers (including default interest) is treated as general income of the Fund and contributes to overall portfolio returns rather than being retained by ORDE.

Investment fees

	Fund	Sector Average
Total Fees and Costs (RG 97)	1.40% p.a.	1.01% p.a.
Management Fees and Costs	1.00% p.a.	0.94% p.a.
Transaction Costs	0.00% p.a.	0.00% p.a.
Performance fees as at	0.40%	0.10%
Performance fees description	Up to 0.40% p.a. once investment distributions meet performance benchmark	
Management Cost	1.00% p.a.	0.94% p.a.
Buy / Sell spread	0.00% / 0.00%	0.03% / 0.01%

All fees and costs are inclusive of GST unless indicated otherwise. The Performance Fee shown is the performance fee disclosed in the PDS. It is calculated by taking the average performance fees charged over the last five financial years (or less if the investment or performance fee mechanism has not been in place for five financial years).

This investment is not required to disclose fees under RG 97.

The sector average fee (in the table above) is based on the average management cost of all flagship 'Australian Fixed Interest - Private Credit' funds surveyed by Zenith.

ORDE charges a management fee 0.80% p.a. and approximately 0.20% p.a. in expense recoveries, plus a 'benchmark delivery' component of up to 0.40% p.a. when the fund outperforms the stated benchmark. The Fund does not incur buy/sell spreads.

In addition, ORDE retains application fees which range between 0.35% and 1.75% of the loan amount and early repayment fees of approximately 1.5% for loans repaid within three years and defined outside of the National Credit Code.

In Zenith's opinion, the cost structure is well below best practice, noting the embedded conflict between ORDE retaining application fees relative to the interest rate or margin being charged to borrowers. Further, investors are exposed to the early prepayment risk of the mortgage pool and therefore should participate in any penalties levied on the borrower.

(The fees mentioned above are reflective of the flagship version only, fees may differ when the product is accessed through an alternate investment vehicle such as a platform).

About the fund manager

Organisation

Founded in 2019, ORDE Financial is an Australian non-bank lender and credit specialist headquartered in Melbourne, with operations nationally and approximately 200 staff. ORDE focuses on originating and managing mortgage loans to borrowers underserved by traditional banks, across residential, commercial and specialist segments.

ORDE is privately owned by senior management and Fancourt Equity Services P/L, a private credit and funds management firm with a focus on Australian property debt.

Investment management functions are undertaken by ORDE Financial Pty Ltd, while ORDE Capital Management Limited acts as the responsible entity for the Fund, with both entities operating under Australian financial services and credit licensing frameworks.

ORDE's lending platform is funded through a diversified model, including institutional warehouse facilities, residential mortgage-backed securities (RMBS) issuance, and investor capital via managed investment vehicles such as the ORDE Income Fund.

As at 31 July 2026, ORDE manages approximately $A 6.4 billion of mortgages across a mix of private warehouses and public RMBS deals. In terms of this Fund, ORDE currently manages $A 122 million (as at 31 July 2026).

Zenith notes that the Fund remains in the early stages of its growth trajectory, with current FUM reflecting a recently established vehicle expected to scale over time. Further, Zenith will continue to monitor the Fund's scale and growth over time, particularly in the context of liquidity management and long-term strategy viability.

Investment personnel

Name	Title	Industry Experience (yrs)	Tenure (yrs)	Location
Paul Wells	Chief Executive Officer & Interim CIO	24	7	Melbourne, Australia

Name	Title	Industry Experience (yrs)	Tenure (yrs)	Location
Ryan Harkness	Managing Director & Chief Operating Officer	17	7	Melbourne, Australia
Sandy Singh	Head of Fund Product and Portfolio	15	1	Melbourne, Australia

ORDE employs over 200 staff, with operations in Melbourne and Sydney, organised across key functional areas including loan origination, credit underwriting, loan servicing, treasury/funding, portfolio management and governance.

In our opinion, the credit and lending platform is relatively well scaled for the current size of the business, with approximately 50 staff across credit and lending functions supported by a structured hierarchy, experienced credit managers and a dedicated loan management capability. These functions operate within an integrated platform, with dedicated teams responsible for each stage of the lending lifecycle and supported by internal committees and senior management oversight of day-to-day operations and risk management.

ORDE’s core investment team comprises approximately 10 members with extensive industry experience (averaging over 20 years), with a significant proportion of the team having previously worked at La Trobe Financial. The senior leadership team includes Paul Wells, Managing Director & Chief Executive Officer, and Ryan Harkness, Managing Director & Chief Operating Officer, both of whom bring extensive experience in non-bank lending and structured credit. Wells spent over a decade at La Trobe Financial, holding roles including Chief Investment Officer, Head of Funding & Strategy and Chief Financial Officer, while Harkness previously held senior roles including Chief Operating Officer and Head of Debt Capital Markets.

The portfolio management function is led by Sandy Singh, Head of Fund Product & Portfolio, who oversees the Fund on a day-to-day basis and is responsible for portfolio construction and the allocation of loans in accordance with mandate parameters. Singh has over a decade of experience at La Trobe Financial, most recently as Head of Fund Portfolio Management, with prior roles across institutional finance, treasury and portfolio management.

ORDE's lending business is supported by a structured credit function responsible for setting lending policies and underwriting standards, with loan origination undertaken through a national broker network and internal distribution capability. Credit approval is governed by internal delegation frameworks, with servicing, arrears management and recovery functions operating separately.

Zenith notes that ORDE is currently establishing a formal Investment and Disclosure Committee (IDC) as part of its governance framework for the Fund. The IDC will provide oversight of portfolio construction, risk management and adherence to mandate parameters; however, it will not approve individual loan allocations, with these decisions made through the credit and portfolio management functions. In addition to the IDC, ORDE maintains a broader governance structure supported by a majority independent Board of Directors and internal committees responsible for risk, compliance and operational oversight.

While we note that ORDE currently maintain comprehensive committee oversight of processes, we believe the IDC should have been formalised prior to launch, which we view as a best practice measure

In Zenith's opinion, ORDE's senior leadership demonstrate strong and relevant experience in managing mortgage lending strategies within non-bank environments, including across comparable open-ended structures. Further, Zenith has a high level of conviction in the broader team's capability across credit underwriting, portfolio construction and funding management, supported by relevant experience at La Trobe Financial and other specialist lenders. While the Fund remains in a scale-up phase, Zenith believes the team is well positioned to manage the strategy, with governance and resourcing anticipated to evolve alongside FUM Growth.

About the sector

Sector characteristics

The Zenith ‘Australian Fixed Interest — Private Credit’ sector consists of funds that offer fixed or floating-rate loans to Australian corporates, real estate mortgagors, or private equity (PE) sponsors to finance operations, construction projects or merger and acquisition (M&A) activities. Loans may also be provided to refinance existing debt or to optimise a borrowing company’s debt/equity mix.

Fund managers within this sector predominantly add value through bottom-up loan selection, sector positioning and restructuring activities. Private credit funds typically target higher yields and lower volatility relative to public fixed income and liquid corporate/securitised debt, as well as low correlation to traditional credit assets. Notwithstanding this, private credit funds have lower levels of liquidity, less frequent valuation of loans and generally higher costs to investors, when compared to traditional fixed income.

Private credit encompasses a wide range of lending strategies and purposes. These can include direct lending (bilateral and syndicated loans directly negotiated between borrower and lender(s)), mezzanine debt (subordinated loans, often with equity-like features), distressed debt (buying or restructuring debt in workout situations) and asset-backed debt (loans secured against hard or financial assets). Further, certain private credit strategies allow for exposure to equity positions, typically arising from debt-to-equity swaps. Whilst equity exposures are often incidental, they can materially affect a strategy’s risk profile. As such, Zenith has a low tolerance to equity exposures within the private credit sector.

Zenith benchmarks all funds in this space against the Bloomberg AusBond Bank Bill Index, which may or may not be reflective of the underlying benchmark, in addition to a spread, used by many of the managers in this category. The index has an average term to maturity of approximately 45 days, comprising 13 bank bills of equal face value, each with a maturity of approximately seven days apart.

Sector risks

Default risk: Given fixed interest securities represent loans to borrowers (including governments, banks, and companies), there is a risk that these borrowers may default on interest or principal repayments. Default risk is often reflected in credit ratings assigned by various credit agencies, which are subject to change.

Interest rate risk: Fixed interest securities are sensitive to changes in interest rates. An increase in interest rates may result in a fall in the value of these securities, while a decrease in interest rates can result in an increase in value.

Credit spread risk: In addition to being sensitive to general interest rate changes, non-government securities are also sensitive to changes in credit spreads (commonly the difference in yield between a government bond and a corporate bond). A widening of spreads results in a fall in the value of these securities.

Liquidity risk: Private credit loans are illiquid investments, and currently there is a limited and immature secondaries market. Whilst fund managers often have liquidity measures in place to facilitate redemptions, investors may be limited by how much of their investment can be withdrawn at any one time.

Valuation risk: Given the nature of private credit investing, where valuations are conducted on a less frequent basis and through different approaches, valuation risk is considered high relative to public listed markets. As such, the reported value of investments may be higher than the ultimate realisable value.

Covenant risk: There is a risk that the loan covenants covering private credit transactions are either too weak, unstructured or unenforced, especially with an increase in covenant-lite loans. As a result, lenders may potentially face loss or decreased control if a borrower's financial situation deteriorates.

Equity risk: Certain private credit strategies allow for exposure to equity positions, typically arising from debt-to-equity swaps. Whilst equity exposures are often incidental, they can materially affect a strategy's risk profile.

Zenith rating

Report certification

Date of issue: 07 Aug 2026

Role	Analyst	Title
Analyst	Jeremy Easy	Investment Analyst
Sector Lead	Pelin Gurses	Senior Investment Analyst

Association & relationship

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Rating history

As At	Rating
07 Aug 2026	Approved
17 Mar 2026	Not Rated - Screened Out

Last 5 years only displayed. Longer histories available on request.

In March 2021, Zenith implemented a new ratings methodology for products classified as Traditional Index. Any rating issued from this date forward for Traditional Index products only reflect this change in methodology, with the relevant Traditional Index ratings being Index Approved, Index Recommended and Index Highly Recommended. Ratings issued for Traditional Index products prior to March 2021 are retained for historical purposes in line with our regulatory requirements and were issued in line with Zenith's Fund Research Methodology. Further information in relation to Zenith's Traditional Index Research Methodology and Traditional Index Ratings can be found on the Zenith website.

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This report refers to the Australian unit trust for the fund, and the fund and benchmark returns are all in AUD.

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