



**Plenary**  
Funds Management

# **Investment Allocation Policy**

## Document Details

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## 2. Introduction

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### Executive Summary

This Investment Allocation Policy (the “**Policy**”) sets out how investment opportunities are to be allocated when there are two or more funds or separately managed accounts (“**SMA**”) with overlapping mandates and a shared interest in the investment opportunity.

To manage any conflicts of interest between funds and SMAs managed by Plenary Funds Management Pty Ltd (“**PFM**”), we have established conflicts management procedures as well as an investment allocation protocol to ensure fair and transparent distribution of deal flow between competing fund and client portfolios. However, PFM’s intention is to avoid such conflicts altogether by ensuring clearly demarcated investment universes where investment mandates do not overlap.

### Purpose

To provide clear principles and guidance on how investment opportunities are to be allocated where there are overlapping mandates and a shared interest in the investment opportunity. The Policy is only intended to operate to the extent that investment opportunities cannot be allocated on the basis of the investment mandates themselves.

### Scope

This policy applies to all investment schemes where PFM is the appointed investment manager.

### Definitions

Term	Definition
<b>Governing Documents</b>	The governing documents of a scheme, including the constitution, investment management agreement, or other offer document.
<b>PFM</b>	means Plenary Funds Management Pty Ltd
<b>PPP</b>	means Public-Private Partnership
<b>PPP-like assets</b>	means assets which exhibit characteristics akin to a PPP, such as, long term contracted revenues, strong cash yield, limited risk exposure, high credit quality counterparties, and minimal terminal value
<b>Responsible Entity</b>	Refers to any independent RE or trustee appointed by Plenary Funds Management Pty Ltd
<b>Scheme</b>	Refers to a managed investment scheme or separately managed account managed by PFM.
<b>SMA</b>	means Separately Managed Account

### **3. Rationale**

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Investment schemes are developed with a specific scope and mandate, which is intended to define the nature and characteristics of the investment scheme. This can include the types of assets targeted by the scheme, the geographic region, the risks associated with the investments, the return profile and various other matters. Where investment schemes have distinct mandates the allocation of investment opportunities between them is simple. In cases where the schemes are not distinct and there are overlapping mandates, the opportunity needs to be allocated across the interested investment schemes in a fair and equitable manner.

## 4. Policy Principles

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Investment opportunities must be allocated between funds / SMAs having regard for the following key principles:

- PFM must endeavour to develop investment schemes with distinct mandates that are unlikely to conflict with other PFM-managed investment schemes;
- Investment opportunities are to be allocated to the investment scheme most appropriately aligned to the opportunity having regard for their mandate and governing documents; and
- Where two or more investment schemes have overlapping mandates such that they have a shared interest in the opportunity, the allocation between the schemes must be transparent, fair, equitable, and in accordance with this policy.

This policy is intended to be utilised in the preliminary due diligence stages when an opportunity is being assessed as suitable for various investment schemes.

## 5. Allocation Methodology

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At the commencement of reviewing a potential transaction, PFM will determine if there is a clear alignment of the opportunity to a particular fund or SMA. This involves reviewing the opportunity against a prescribed allocation according to investment universe (detailed in Appendix A), as well as giving consideration to the explicit mandate of the fund or SMA and nature of the potential asset. Where an opportunity can be allocated on this basis, the rationale for that decision will be documented and tabled as part of the first IC paper provided for that opportunity. In such circumstances, the fund or SMA will be entitled to acquire up to the full available stake or as otherwise provided in Appendix A.

In the unlikely event that the opportunity cannot be allocated as described above, the allocation process below will be followed. Additionally, if the investment scheme is unable to fund the full available stake or otherwise wishes to only acquire a portion of the stake, the balance of the available stake can be offered to PFM's other investment schemes (assuming the opportunity is not outside the scope of their mandate, and in such circumstances, the balance of the investment opportunity will be allocated in accordance with the allocation process below.

### Investment Allocation Process

1. Where the opportunity cannot be allocated in accordance with Appendix A and is not clearly aligned to a particular scheme, the mandates are deemed to be overlapping and the available investment opportunity must be allocated across the schemes.
2. Where a scheme does not wish to take up its full available stake, any other schemes are entitled to apply for an allocation of the remaining balance (subject to their investment mandate)
3. In circumstances where an event arises as per steps 1 and 2 above, interested schemes will be entitled to a stake in the investment opportunity pro-rata to each interested scheme's Net Asset Value ("NAV") including any committed but undeployed capital. Where an SMA is interested in the investment opportunity, their NAV will be inclusive of any look-through exposure which they hold via other PFM products (e.g. existing holdings in other funds). Where a scheme elects not to take up their full pro-rata allocation, the balance will be re-allocated on a pro-rata basis using the same formula amongst those schemes interested in taking a further allocation.
4. All IC papers relating to the investment must clearly specify the application and results of the Investment Allocation Process described herein. Where Investment Allocation Processes have been undertaken, the results of such processes will be communicated to the Investor Advisory Group and SMA investors at least semi-annually.

## **6. Record Keeping**

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Records are to be maintained via the IC papers detailing the application of this Policy across all investment opportunities.

## 7. Appendix A - Allocation According to Investment Universe

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Fund / SMA	Investment Universe
Public Sustainable Infrastructure Fund	Brownfield PPP and PPP-like assets