



La Trobe  
financial

La Trobe Financial  
**The Future of Investments**

May 2024

**Brookfield**

| A portfolio company

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## Chris Andrews

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Chris Andrews is Chief Executive Officer of La Trobe Financial.

Chris has over 20 years' experience across asset management, credit and financial services and has held a number of senior roles since joining the business in 2006.

Prior to his current role, Chris was La Trobe Financial's Chief Investment Officer and oversaw significant growth in the asset management business. As CEO, Chris is focused on creating value by delivering the highest standards of service for customers, underpinned by strong risk management.

Chris holds degrees in Commerce and Law (Honours) and resides in Melbourne.

## Agenda

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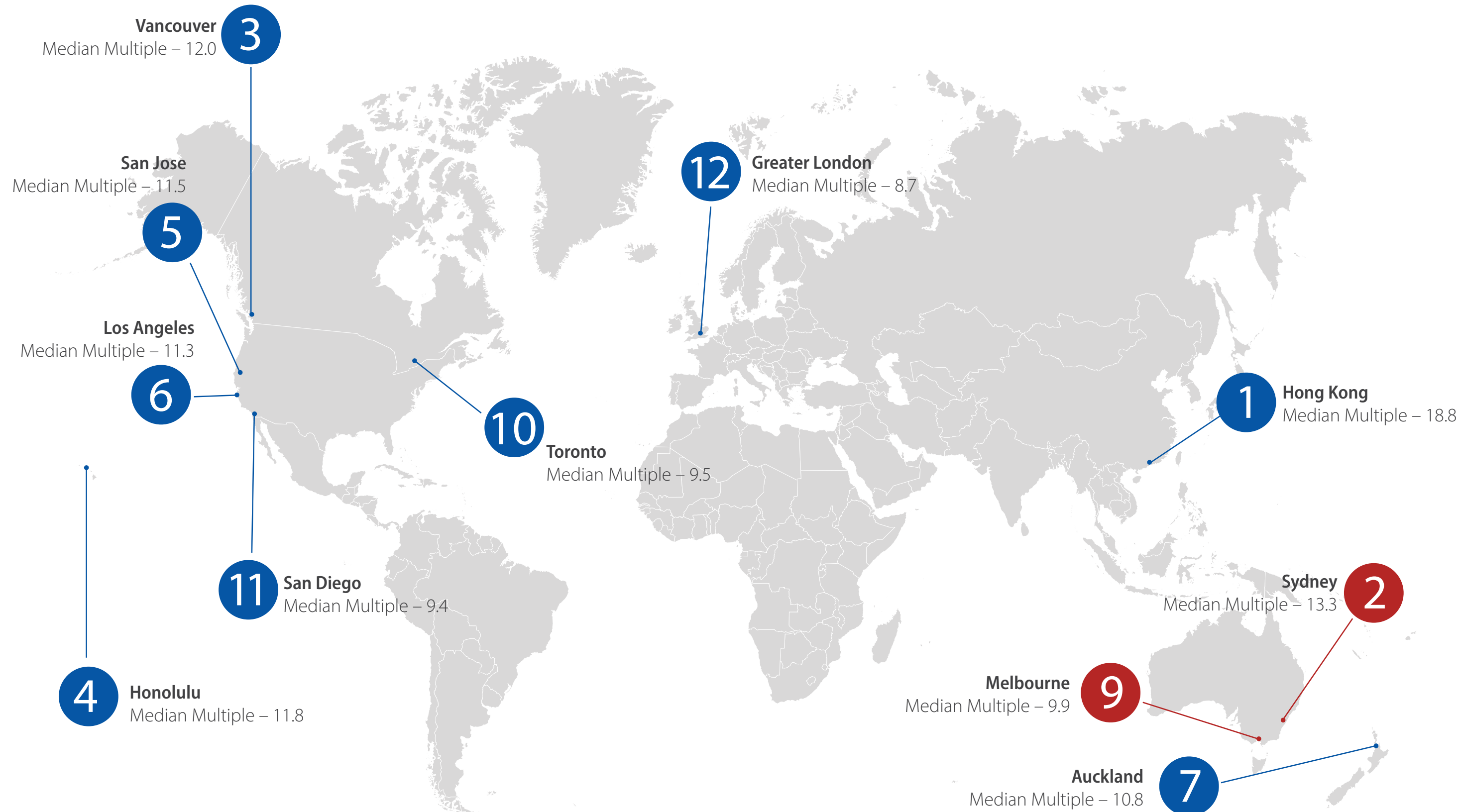
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# Global Cities Are Expensive

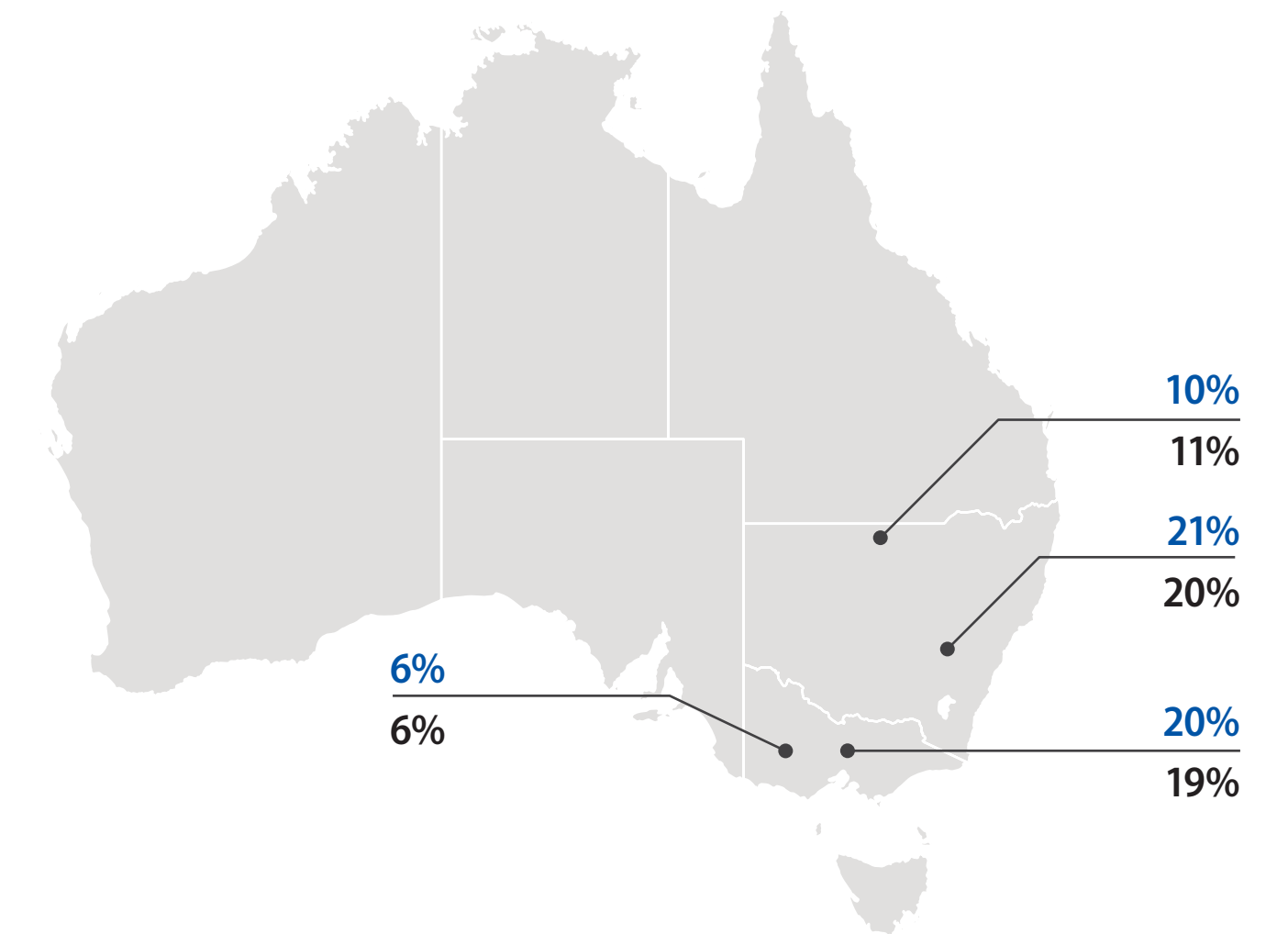
# ... We Live In Global Cities

## Most Expensive Property Globally



Source: Demographia

## Alignment Between Jobs and Population Base

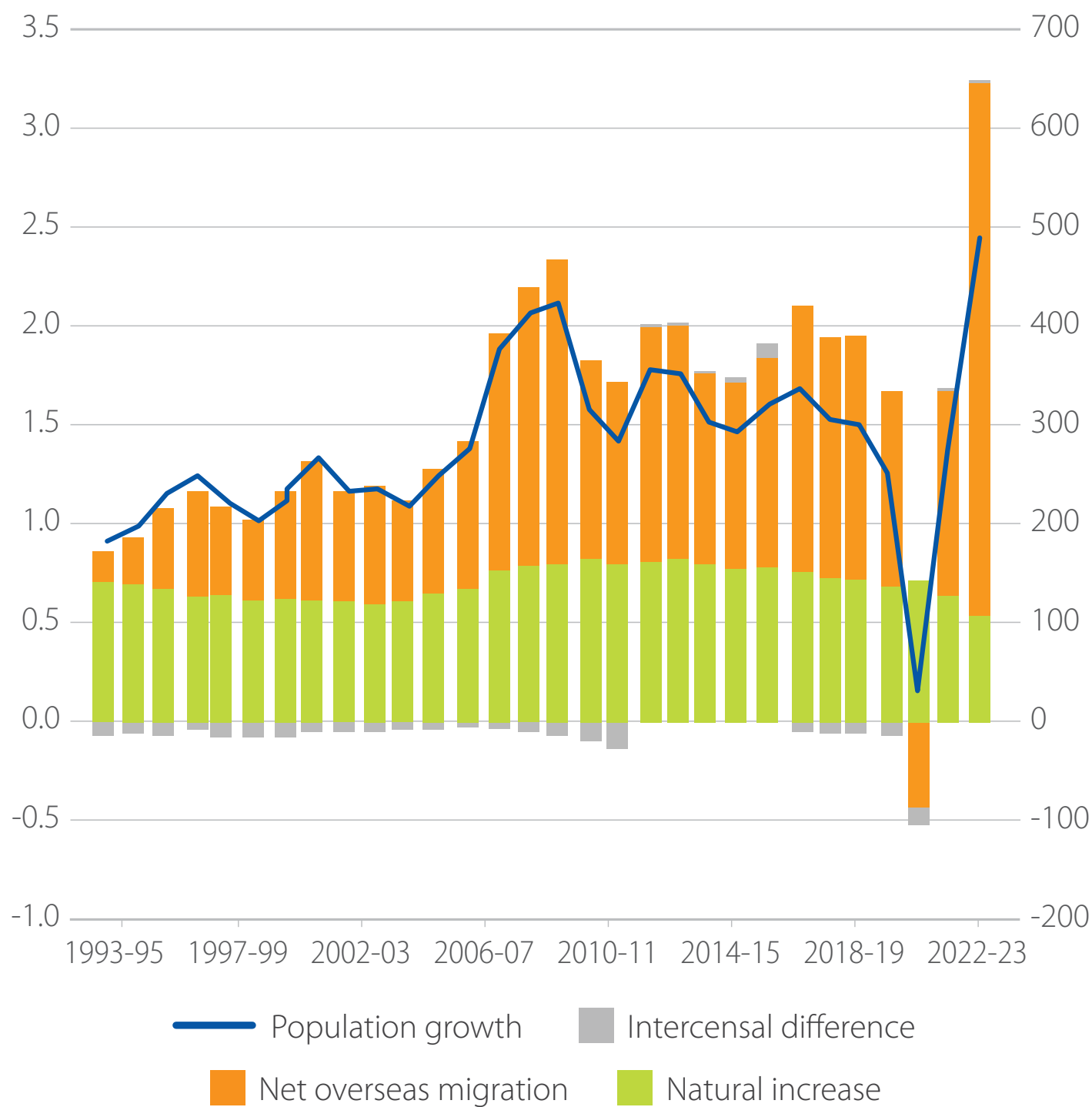


Source: Australian Bureau of Statistics

# ... With No Silver Bullet for Easing House Prices

## Components of population change

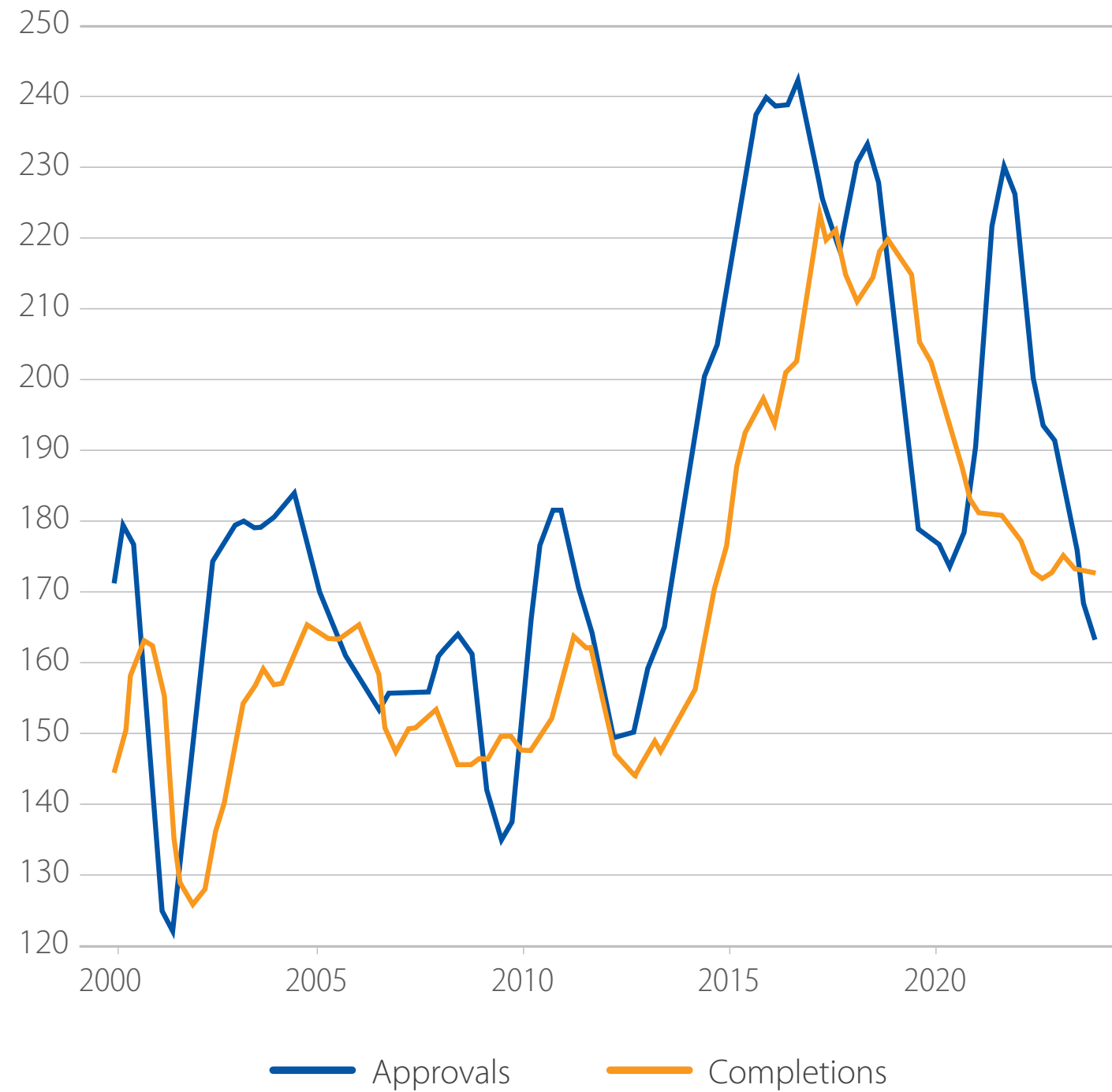
1992-93 to 2022-23



Source: Australian Institute of Health & Welfare

## Dwelling Approvals and Completions

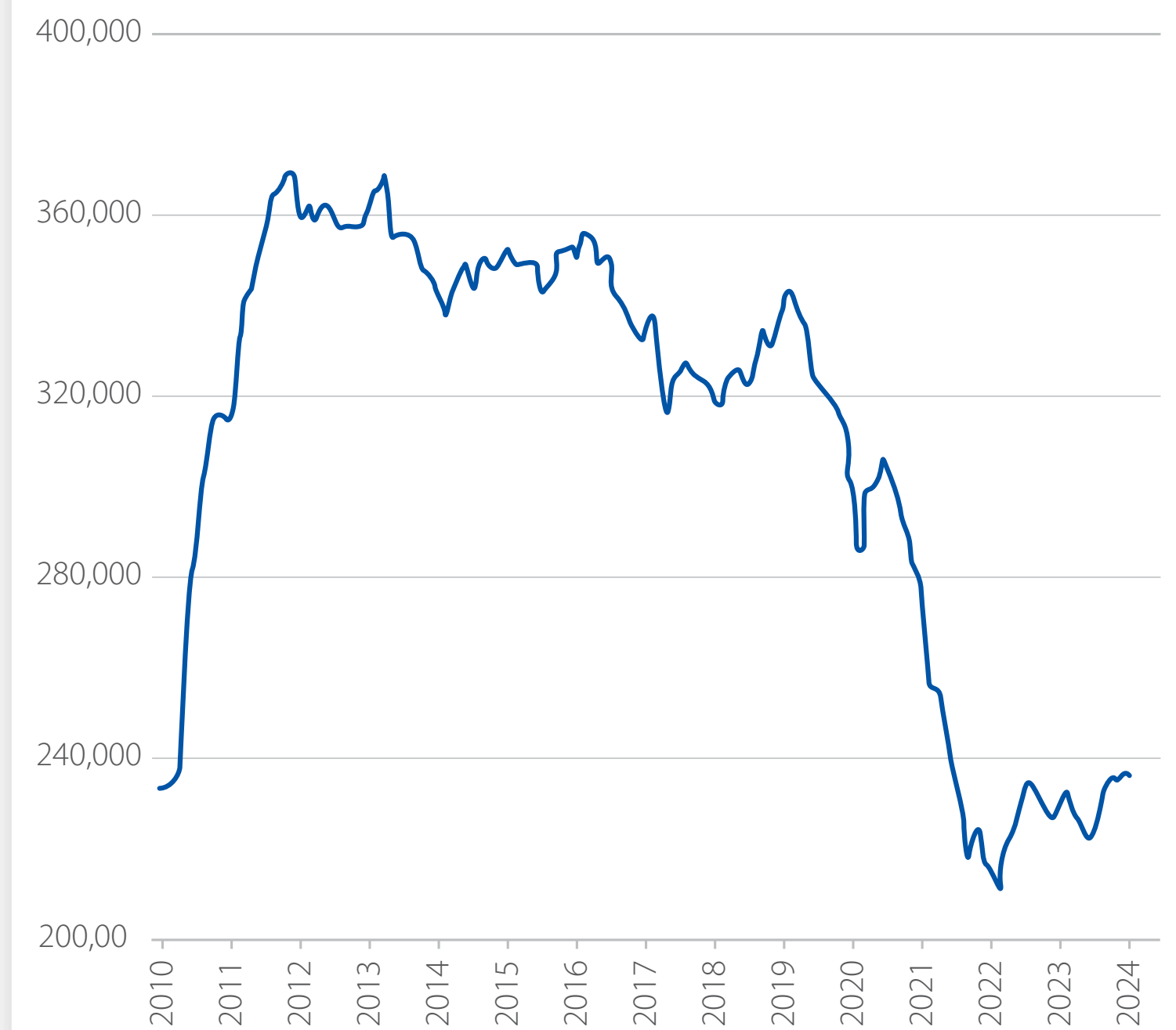
Rolling Annual Sum



Sources: Macrobond, NAB Economics

## Stock of Homes for Sale, Australia

Seasonally adjusted



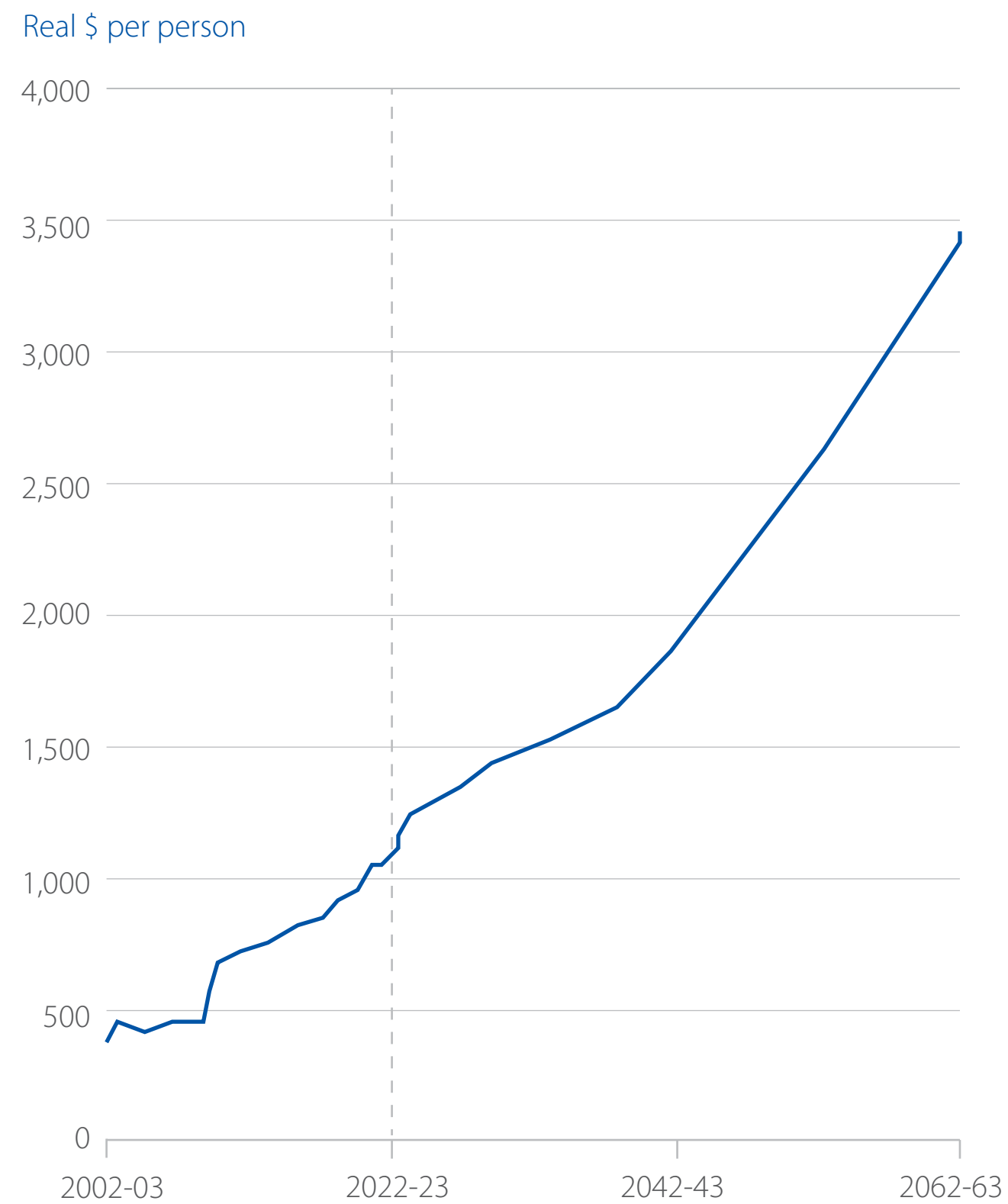
Source: Macquarie, CoreLogic



# Longevity Risk and the Last Great Wealth Transfer

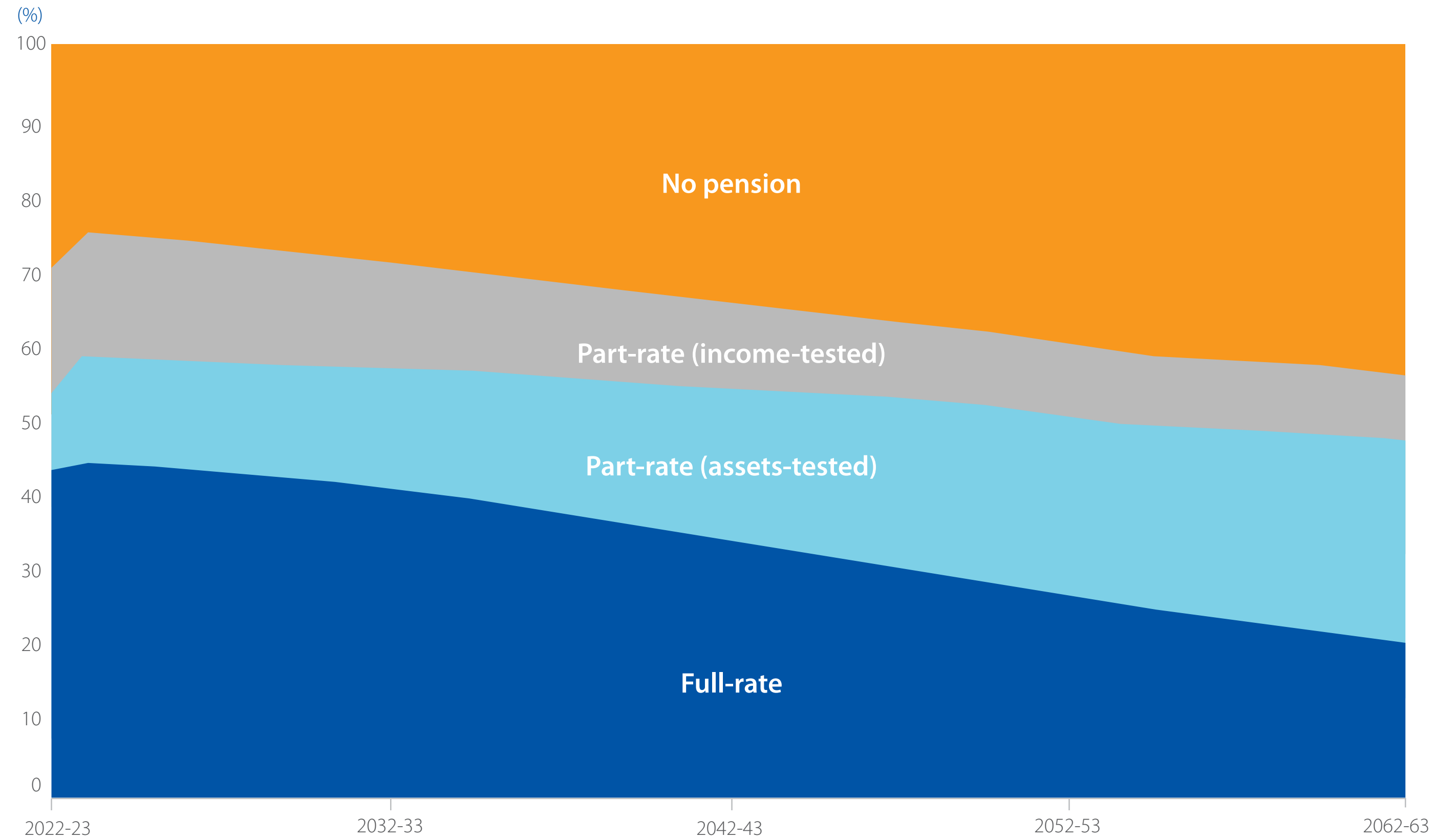
# Don't Expect a Handout

## Real Australian Government Aged Care Spending per Person



Source: 2023 Intergenerational Report

## Persons of Age Pension Age or Over, by Pension Category



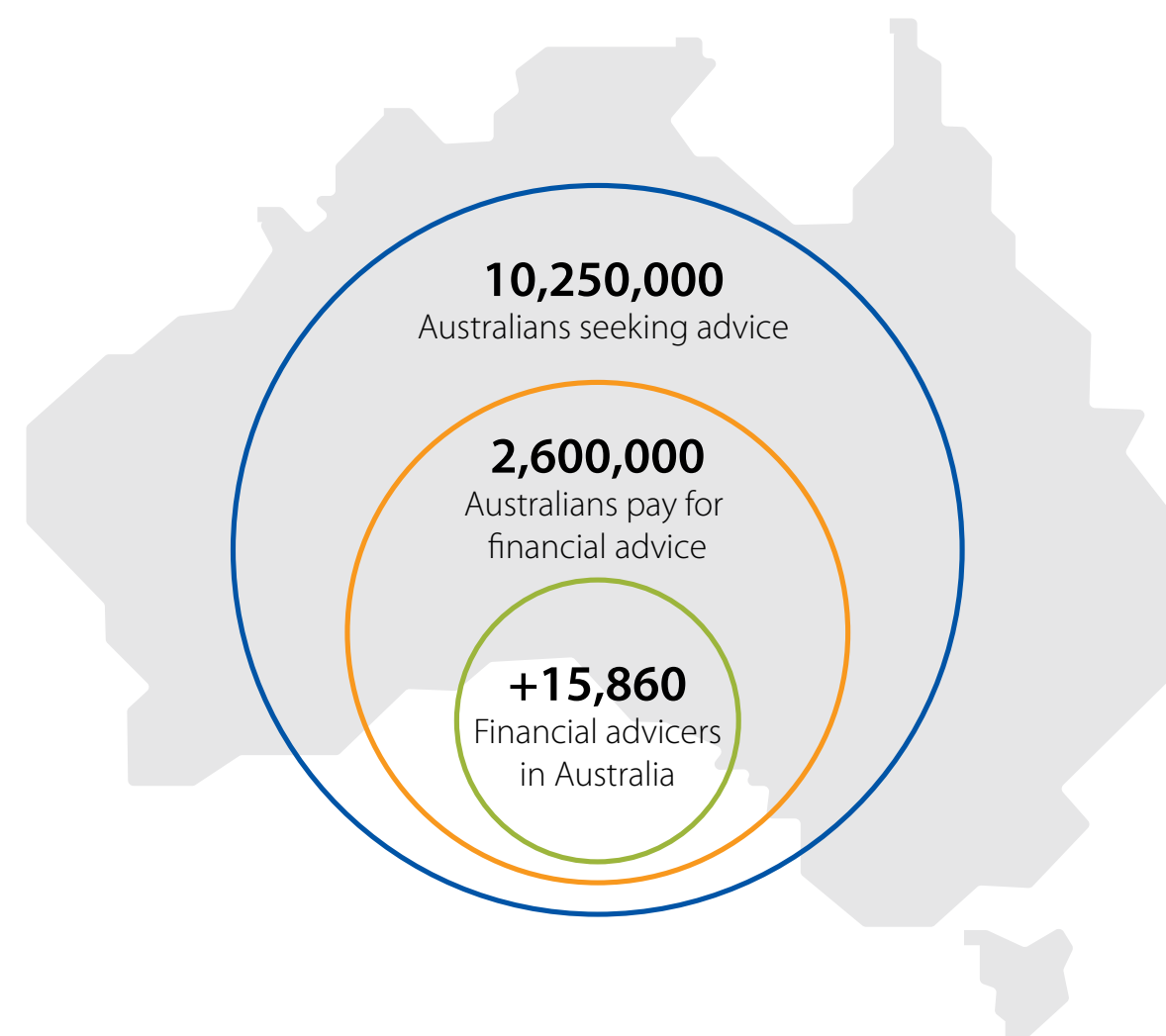
Source: 2023 Intergenerational Report

# ...But the Kids Are Alright

## Estimated Intergenerational Wealth Transfer

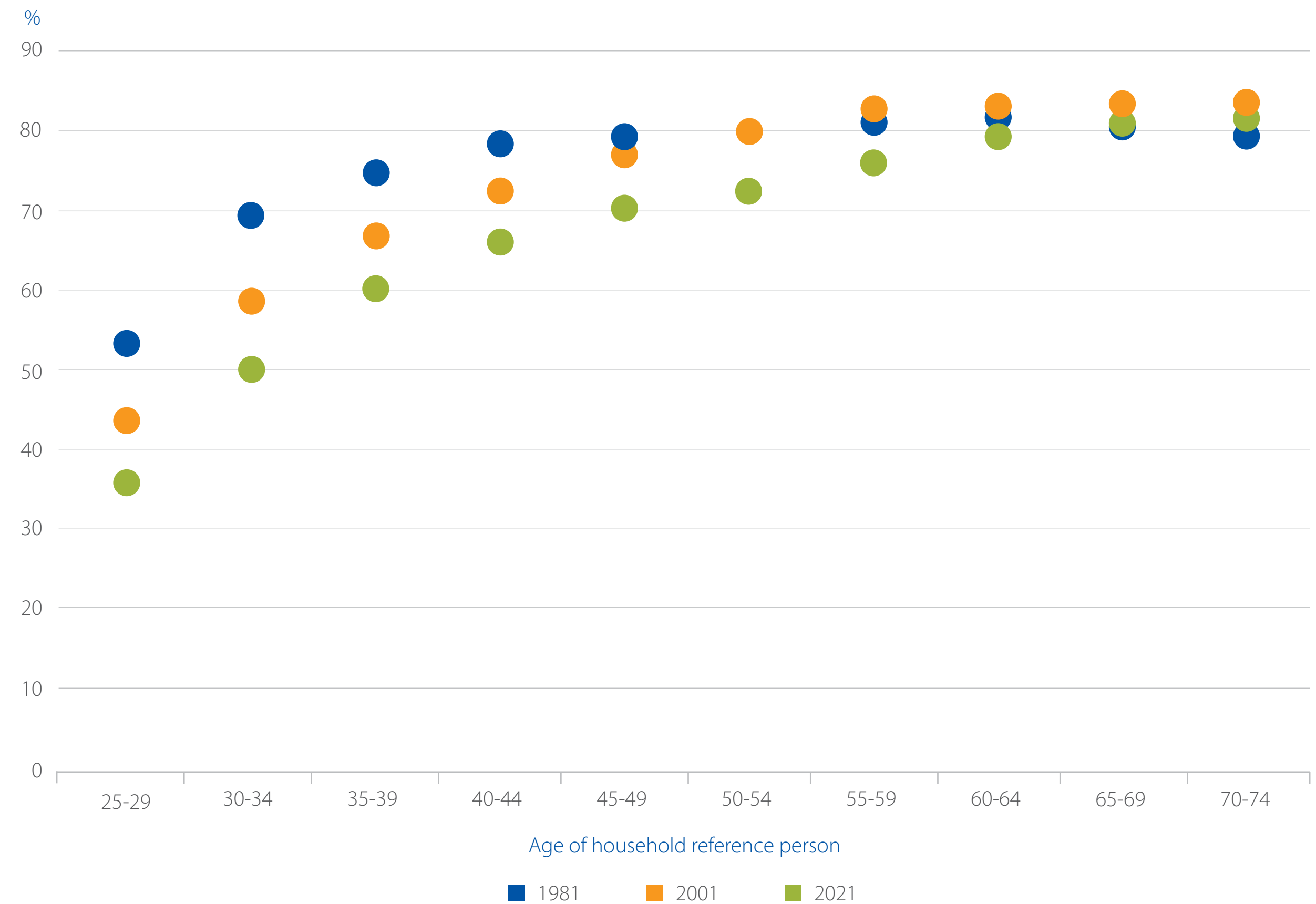
	60-64	65-69	70-74	75-79	80-84	85+	Total
<b>Total households (000)</b>	763	735	536	409	310	380	<b>3133</b>
<b>Average net worth (\$m)</b>	1.24	1.23	1.23	0.85	0.85	0.85	<b>1.04</b>
<b>Cohort net worth (\$b)</b>	946	905	660	348	264	323	<b>3445</b>

Source: Griffith University



Source: Firstlinks, ASIC

## Home Ownership Rate over Past 40 Years by Age



Source: 2023 Intergenerational Report



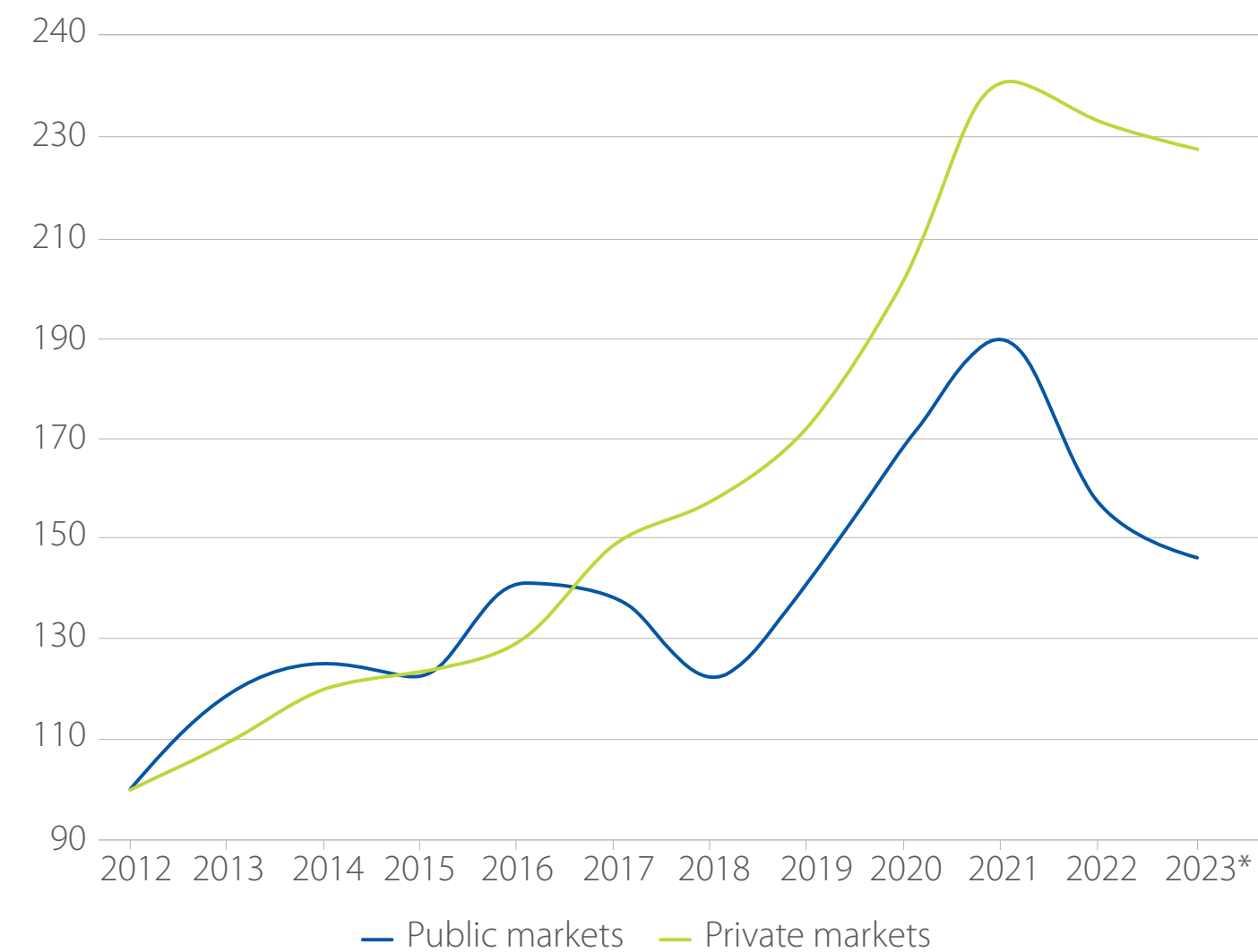


# The Future of Investing

# Alternative Investing & the Rise of Private Markets

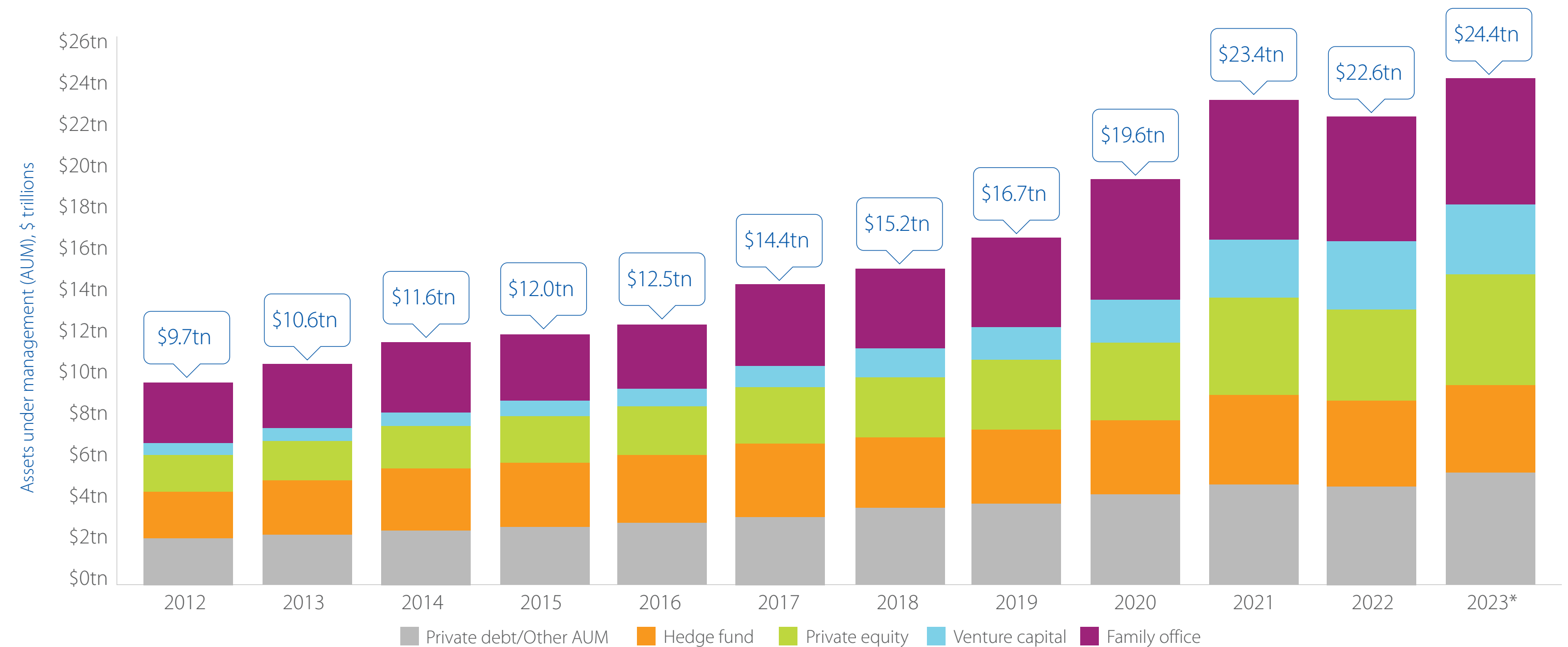
## Private Markets AUM vs. Public Equity Market Capitalisation Growth, 2012 = 100

Over the past decade, private markets have shown stronger growth in capital than public markets, with notably stronger growth from around 2016 onwards. Private markets have also proved more resilient to fluctuations in sentiment.



\*2023 Q1

## Private Capital Markets Have Seen Tremendous Growth over the Past Decade and Remained Resilient in 2023



\*2023 Q1

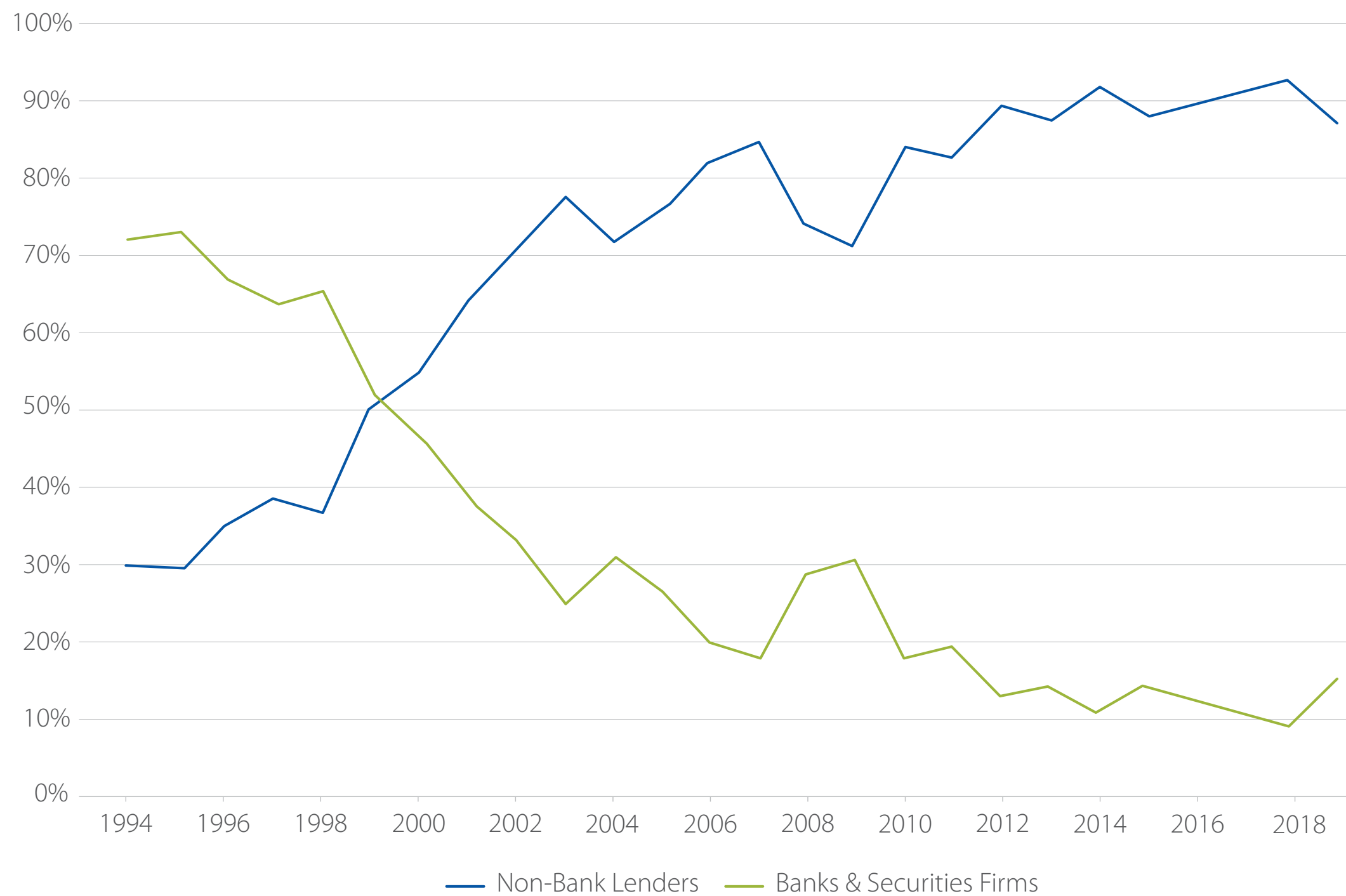
Sources: EY Knowledge analysis using PitchBook and DataLogic data

Sources: EY Knowledge analysis; data from Pitchbook and Campden Wealth

# Why Private Credit Makes Sense

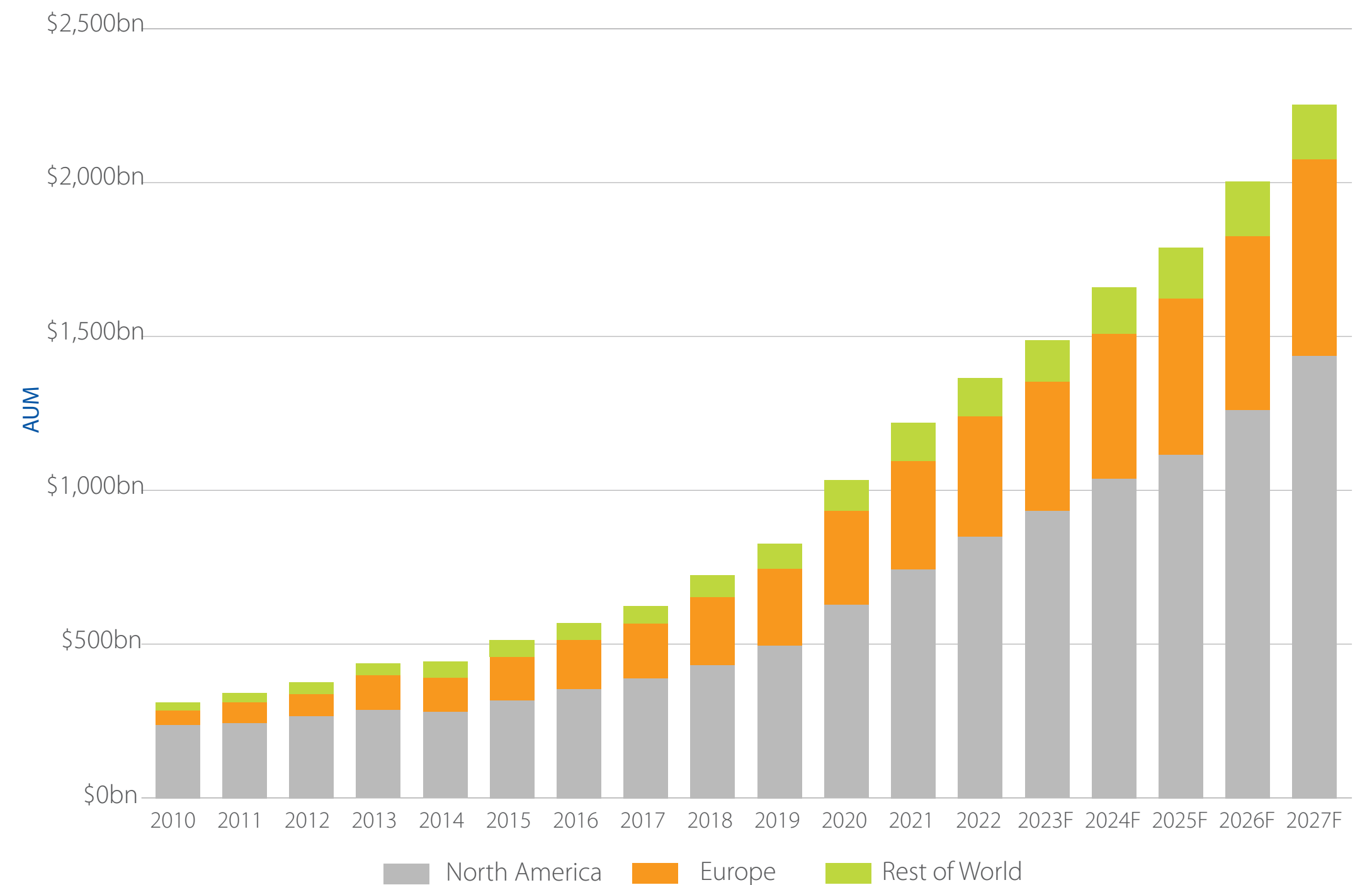
## Direct Lending Market Share

Historically, direct loans were provided by banks and occasionally finance companies. Regulatory reform and industry consolidation have pushed banks from this market. Bank absence contributes to capital scarcity and enhances investor opportunity.



## Direct Lending Market Growth

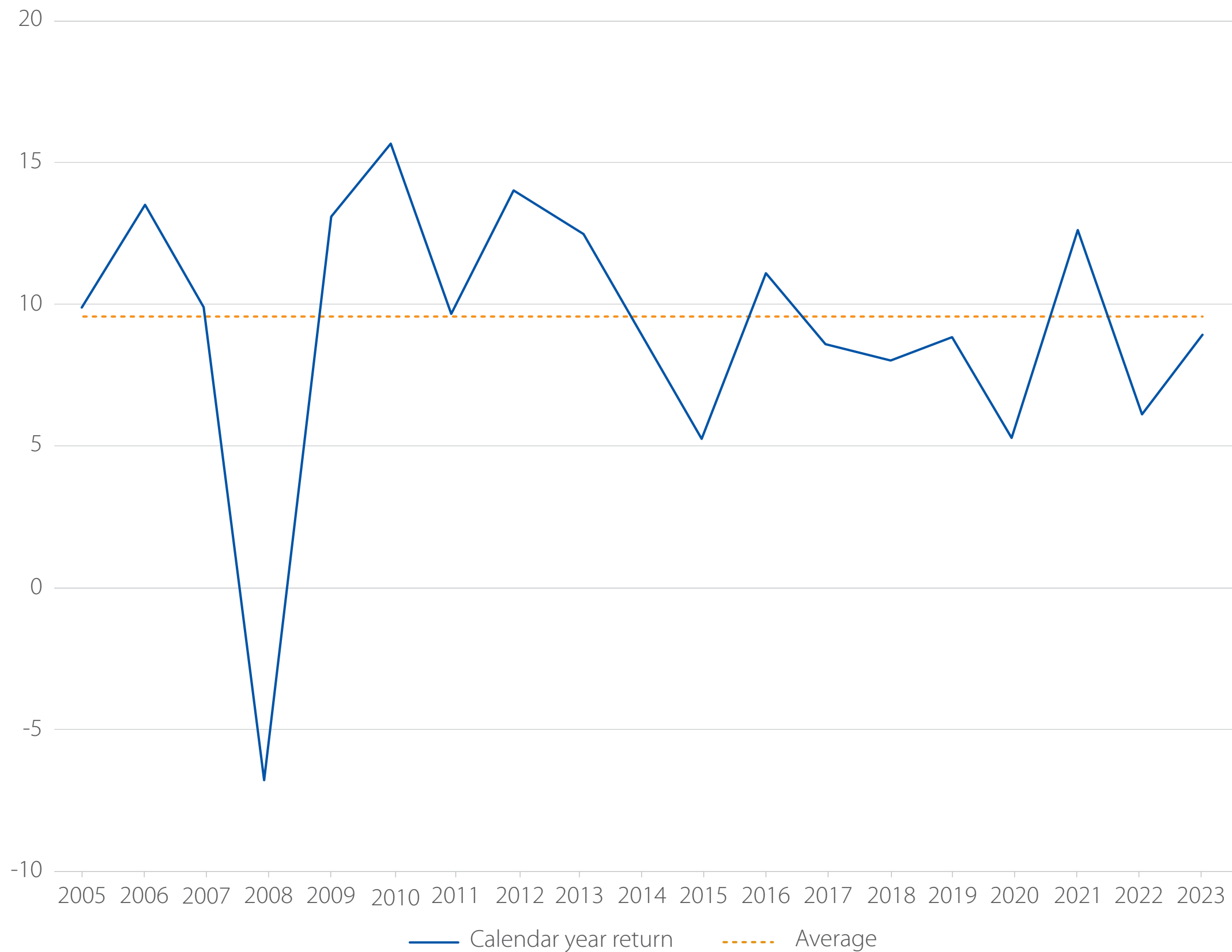
Driven by strong investor demand and solid performance, private debt is expected to grow through 2027.



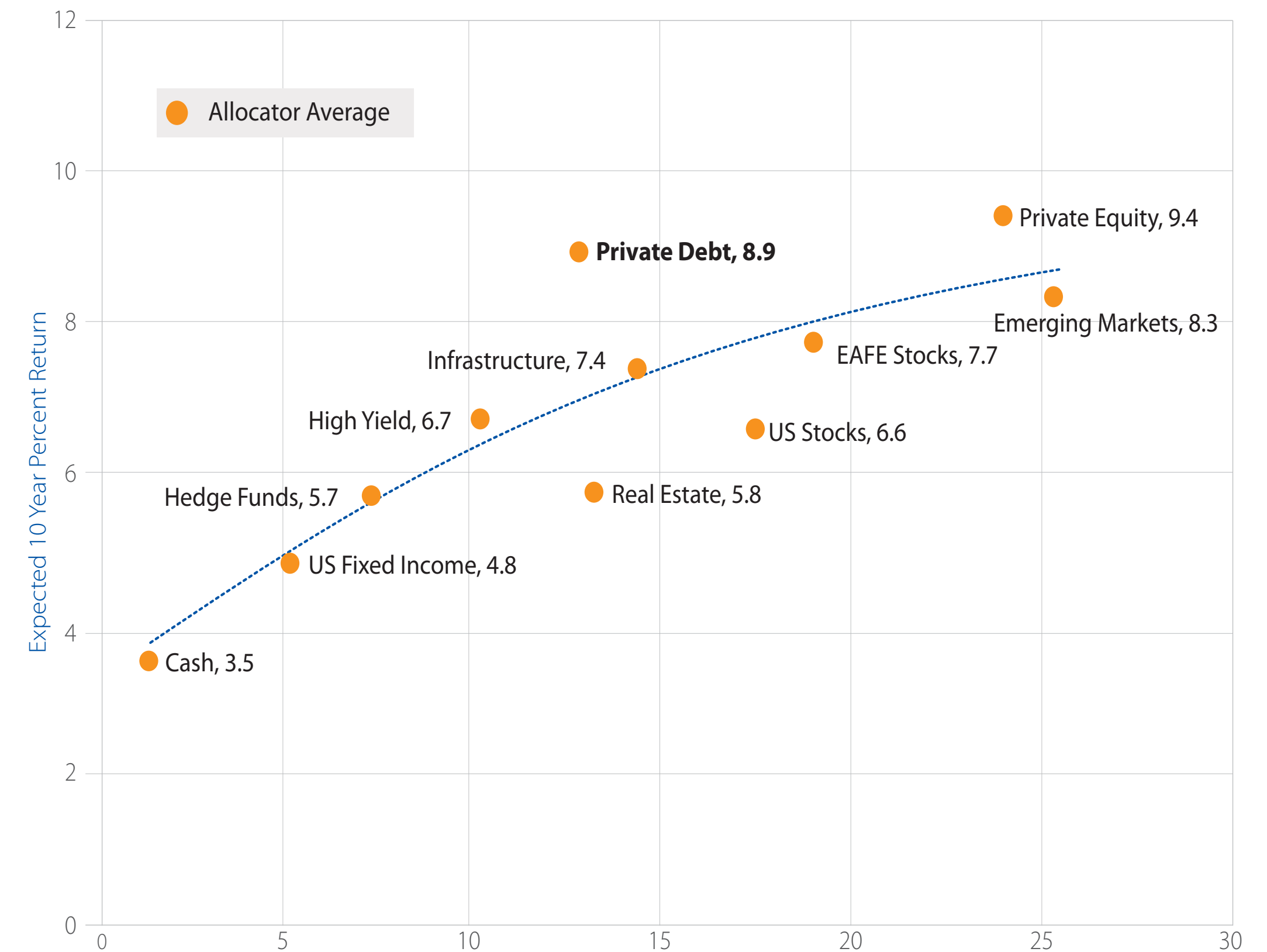
Sources: Morgan Stanley

# US Private Credit – Largest Sub-sector of Private Assets

## Calendar Year Return – Cliffwater US Direct Lending Index



## Consensus 10 Year Expected Return and Risk for Major Asset Classes



Sources: Cliffwater

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# Important Notice & Disclaimer

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