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13 September 2019

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

RWF SECURITISATION JOINT VENTURE WITH MAGNETAR

Further to the ASX Announcements dated 11 April 2019 and 29 August 2019 by Yellow Brick Road Holdings Limited (ASX:YBR) (**YBR** or the **Company**), YBR has great pleasure in announcing that it today entered into definitive legal documentation with an affiliate of international alternative asset manager, Magnetar Capital (**Magnetar**) relating to the establishment of a Joint Venture which will conduct a mortgage-backed securities securitisation business (**JV**).

Founded in 2005 and headquartered out of Evanston, Illinois in the U.S., Magnetar seeks to deliver diversified return streams by employing a wide-range of alternative credit and fixed income, energy and infrastructure, and systematic investing strategies. It has approximately US\$12.9 billion* in assets under management. More information about Magnetar can be found at www.magnetar.com.

The securitisation business will be conducted by Resi Wholesale Funding Pty Ltd (**RWF**), which is currently a wholly owned subsidiary of YBR, but which will be owned 50% by Yellow Brick Road Group Pty Limited and 50% by Magnetar following completion of this transaction. RWF is the intended trust manager, servicer and sponsor of the residential mortgage-backed securities securitisation business for which YBR received credit approval for a A\$120 million warehouse facility on 29 August 2019 (**RMBS Warehouse Facility**).

Under the terms of the Share Subscription Deed entered into between the relevant parties, Magnetar will subscribe for 50% of the share capital in RWF for an aggregate A\$18 million in two tranches and has agreed to provide a facility for A\$6 million in future funding for B Class Notes for the RMBS Warehouse Facility.

Separately and subject to mutually agreed definitive documentation and terms, Magnetar has conditionally committed to provide and/or arrange a facility for circa A\$60 million in future funding under subordinated notes for the RMBS Warehouse Facility.

Completion of the Share Subscription Deed is conditional upon:

- FIRB approval;

- For personal use only
- RWF and others entering into definitive legally binding transaction documentation with the RMBS Warehouse Facility bank lender and all other relevant third parties; and
 - other transactional matters.

YBR Executive Chairman Mark Bouris said, “We are pleased to team-up with a group of Magnetar’s calibre. They have been a supportive and patient partner in this journey, and the combination of their capital and the YBR Group’s mortgage distribution capabilities, plus our joint experience and prowess in the securitisation markets, will make for a formidable new funding force in the Australian mortgage market.”

For and on behalf of
YELLOW BRICK ROAD HOLDINGS LIMITED



Mark Bouris
Executive Chairman

* Assets Under Management (AUM) reflects approximate investor capital managed by Magnetar and its affiliated investment managers, on a discretionary and non-discretionary basis, including designated investments in side pockets and unfunded commitments (money committed to any fund managed by Magnetar and its affiliated investment managers as of the report date, but not yet transferred by the investors), as of July 1, 2019.