



Trade Idea: TEEG Entertainment

June 2026

Your platform to access direct fixed income opportunities

The desk has secured for wholesale investors only, access to **The Entertainment and Education Group (TEEG)**, the owner of Timezone arcades and the largest Family Entertainment Centre (FEC) operator in Asia Pacific.

The opportunity is a **short-dated, senior secured syndicated loan** offering an attractive **~8% yield to maturity**, with only **~2.75 years remaining**. The credit is supported by a **robust covenant package** and **conservative leverage profile**, providing downside protection alongside compelling income in a defensive, cash-generative leisure segment.

Loans must be settled and registered through IAM Capital Markets Limited or Austraclear Limited and held in safe custody by Perpetual Corporate Trust Limited as sub-custodian, with Trustees Australia Limited (**TAL**, a wholly owned subsidiary of IAM Group) acting as bare trustee on your behalf in accordance with the IAM Master Custody Agreement. Following settlement, legal title to the Loans will be held by TAL on bare trust for and on your behalf, and you will be the beneficial holder of the Notes.

To view the transaction in full, please reach out to your dedicated relationship manager.

In our view, the current market continues to place a significant premium on investment grade corporate bonds and higher quality credit, resulting in a narrowing of spreads across many traditional fixed income sectors. By contrast, parts of the syndicated loan market continue to offer a meaningful yield pickup despite benefiting from senior secured ranking, covenant protection and direct lender oversight.

One area we find particularly interesting is the Asia Pacific consumer and leisure sector. TEEG continues to benefit from strong brand recognition, recurring customer demand and organic growth opportunities across multiple geographies. Recent trading updates from several large operators have pointed to improving earnings momentum, ongoing venue expansion and stable leverage profiles.

Relative value remains compelling:

- Senior secured syndicated loans continue to offer a substantial yield premium over many investment grade corporate bonds
- Investors benefit from first ranking security and maintenance covenant packages not typically available in public bond markets
- Floating rate structures provide ongoing protection should interest rates remain elevated for longer

From a credit perspective, we remain constructive on businesses with diversified revenue streams, strong market positions and demonstrated ability to generate cash flow across economic cycles.

While markets have increasingly priced in lower medium-term interest rates, policy settings remain restrictive and short-term rates continue to provide attractive income. This allows investors to earn elevated running yields while maintaining defensive positioning within the capital structure.

Positioning within portfolios: We continue to favour senior secured syndicated loans backed by established market leaders over lower ranking private credit exposures. In our view, the combination of attractive income, covenant protection and senior security provides a compelling risk adjusted opportunity for investors seeking to enhance portfolio yield without materially increasing credit risk.

| | Buy |
|-----------------------------|-------------------------------|
| Issuer: | TEEG Bidco Pty Ltd |
| ISIN: | AUTEGB00226 |
| Security Name: | TEEG B Float 03Mar2029 - LOAN |
| Payment Rank: | Senior Secured |
| Rating (S&P, MOODY, FITCH): | NR, NR, NR |
| Sector: | Consumer, Cyclical |
| Coupon Type: | FLOATING |
| Coupon: | BBSY3M+4.00% |
| Current Coupon: | 8.347% |
| Next Coupon Date: | 11-Jun-26 |
| Next Call Date: | - |
| Maturity Date: | 03-Mar-29 |
| Currency | AUD |
| Margin: | 364.9 |
| Yield: | 8.0281% |
| Running Yield: | 8.2751% |
| Face Value: | 100,000 |
| Settlement Date: | 25-Jun-26 |
| Capital Price: | 101.00 |
| Consideration: | 101,000.00 |
| Accrued Interest: | 320.50 |
| Total Consideration: | 101,320.50 |
| AUD Consideration: | 101,373.10 |