

LONG TERM MANAGEMENT

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1. Overview

Long-term capital management is concerned with how capital is preserved, allocated, deployed, maintained and reinvested over extended periods. It requires a disciplined understanding of financial resources, investment commitments, liquidity requirements and the changing economic conditions that may influence the value and sustainability of capital.

At Aura, long-term capital management is an integral part of its investment philosophy. As a privately owned, family-controlled international investment company, Aura approaches capital management in relation to its own family-owned capital and its objective of maintaining financial strength, investment flexibility and long-term economic value.

The approach extends beyond the selection of individual investments. It considers how different investment commitments interact, how financial resources should be distributed over time and how capital can remain available for future opportunities and obligations.

Long-term capital management therefore involves balancing investment ambition with financial prudence, recognising that sustainable ownership requires both the ability to deploy capital and the capacity to preserve it.

2. Philosophy of Long-Term Capital Stewardship

Aura's approach to long-term capital management is founded on the principle that capital should be treated as a resource requiring careful stewardship.

The objective is not simply to maximise the amount of capital deployed or pursue the highest possible short-term return. It is to consider the durability of investment value, the resilience of financial resources and the ability to maintain appropriate flexibility through different economic and market conditions.

This philosophy recognises several important principles:

- Capital should be allocated according to clearly considered investment objectives.
- Investment commitments should reflect an appropriate understanding of risk.

- Liquidity should be considered alongside long-term investment potential.
- Financial obligations should remain compatible with available resources.
- Reinvestment should be guided by investment quality and valuation discipline.
- Concentration and interconnected risks should be monitored.
- Capital should remain available for appropriate future opportunities.
- Long-term ownership should be supported by responsible financial oversight.

The emphasis is on maintaining a sound relationship between investment commitments, financial resources and the company's long-term objectives.

3. Capital as a Long-Term Resource

Capital represents more than the financial amount available for investment at a particular moment. It provides the foundation for ownership, investment development, financial resilience and future opportunities.

The way capital is deployed today can influence the financial flexibility available in subsequent years.

Long-term commitments may produce economic benefits over extended periods, but they may also reduce immediate liquidity or create obligations that require careful management.

Aura may therefore evaluate capital decisions in terms of both their immediate financial implications and their longer-term consequences.

This includes considering the amount of capital committed, the expected duration of the investment, the timing of potential cash flows and the resources that may remain available after the commitment is made.

4. Capital Preservation

Capital preservation is an important consideration within long-term investment management.

Preserving capital does not mean avoiding all investment risk. Investment necessarily involves uncertainty, and the value of investments may fluctuate. Rather, capital preservation involves understanding the risks that could cause substantial or permanent impairment and taking

those risks into account before committing financial resources.

Aura may consider:

- The financial strength of an investment.
- The quality and sustainability of underlying assets.
- The reliability of expected cash flows.
- The level of debt and financial obligations.
- The resilience of the relevant industry.
- The quality of management and governance.
- The possibility of permanent capital loss.
- The impact of adverse economic conditions.
- The availability of liquidity when required.

A disciplined investment approach should distinguish between temporary changes in market value and fundamental deterioration in an investment's underlying economic characteristics.

5. Long-Term Investment Horizon

Different investments require different time horizons.

Some investments may be designed around relatively shorter holding periods, while others may involve long-term ownership of companies, infrastructure, property, financial instruments or other assets.

Aura may assess the appropriate investment horizon according to the characteristics of each opportunity.

Relevant considerations may include:

- The expected period required for the investment thesis to develop.
- The economic life of the underlying asset.
- The duration of contractual arrangements.
- The time required for business development.
- The expected pattern of cash-flow generation.
- Market and industry cycles.
- Potential refinancing or capital requirements.
- The availability of future liquidity or exit opportunities.

The investment horizon should be consistent with the nature of the asset and the company's financial capacity to maintain the commitment.

6. Capital Allocation Over Time

Capital allocation is not a single decision made at the beginning of an investment period. It is an ongoing process that may require reassessment as financial conditions, investment opportunities and strategic priorities change.

Aura may evaluate how capital should be distributed among different investment areas, ownership positions and financial commitments.

The process may consider:

- Existing investment exposure.
- New investment opportunities.
- Expected capital requirements.
- Available liquidity.
- Future obligations.
- Market valuations.
- Risk concentration.

- Financial flexibility.
- Potential reinvestment needs.

The purpose is to maintain a considered relationship between current commitments and future financial capacity.

7. Liquidity Management

Liquidity refers to the ability to access financial resources when required without incurring disproportionate costs or losses.

It is an essential consideration in long-term capital management because investments differ significantly in their ability to be converted into cash.

Publicly traded securities may generally offer greater transaction flexibility than privately held businesses, development projects or certain real assets. However, actual liquidity can vary according to market conditions, trading volumes, restrictions and the size of a proposed transaction.

Aura may consider liquidity requirements in relation to:

- Operating and administrative obligations.
- Existing investment commitments.

- Debt servicing requirements.
- Potential capital expenditure.
- Contingency requirements.
- Future investment opportunities.
- Unexpected financial demands.

Liquidity planning helps ensure that long-term investments do not create unnecessary pressure on the company's ability to meet its obligations.

8. Balancing Liquidity and Long-Term Investment

There can be a natural tension between maintaining readily accessible capital and pursuing investments that require extended commitments.

Some long-term investments may offer access to economic opportunities that are not readily available through liquid financial markets. However, such investments can limit the ability to withdraw capital quickly.

Aura may therefore consider the relationship between liquidity and expected investment duration before making significant commitments.

The objective is not to maintain all capital in liquid form, nor to commit all available resources to long-duration investments.

Instead, the allocation should reflect the company's financial requirements, risk tolerance, investment horizon and need for flexibility.

9. Capital Commitment Management

Some investment opportunities require capital to be committed over time rather than transferred entirely at the outset.

Examples may include private equity arrangements, infrastructure projects, property developments, joint ventures and staged corporate investments.

Aura may evaluate the timing and conditions of such commitments, including:

- Initial capital requirements.
- Future funding obligations.

- Capital-call arrangements.
- Development expenditure.
- Contingent funding requirements.
- Contractual payment schedules.
- Potential cost overruns.
- Conditions for additional investment.

The total potential commitment should be understood before an investment is approved.

This helps prevent a situation in which an initially manageable investment becomes financially demanding because of obligations that were not adequately considered.

10. Financial Flexibility

Financial flexibility is the ability to respond to changing conditions while maintaining the capacity to meet obligations and consider suitable opportunities.

It may be influenced by available cash resources, investment liquidity, debt levels, financing arrangements, asset quality and the timing of future commitments.

Aura considers financial flexibility an important component of long-term resilience.

Maintaining flexibility may allow the company to respond to changing market conditions, manage unexpected requirements, support existing investments or consider new opportunities when appropriate.

Financial flexibility should therefore be considered before capital is committed, rather than only after a financial constraint emerges.

11. Diversification and Capital Distribution

Diversification may help reduce dependence on a single company, asset, industry, geography or source of economic return.

However, diversification should be based on a genuine understanding of how different investments behave and how their risks may interact.

Aura may consider diversification across:

- Investment categories.
- Industries and economic sectors.

- Geographic markets.
- Business models.
- Asset types.
- Currency exposures.
- Investment durations.
- Sources of income and capital appreciation.

The purpose is to understand the overall structure of investment exposure and reduce excessive dependence on individual sources of economic value.

Diversification does not eliminate investment risk, and a portfolio containing many investments may still be exposed to common economic or financial pressures.

12. Concentration and Exposure Management

Concentrated investment positions may offer meaningful participation in a particular business or opportunity, but they can also create substantial exposure to company-specific, industry-specific or geographic risks.

Aura may evaluate concentration at several levels, including individual investments, related businesses, industries, markets and underlying economic drivers.

The assessment may consider:

- The proportion of capital committed to a single investment.
- Dependence on a particular industry.
- Exposure to one geographical market.
- Correlation between different investments.
- Shared financing or counterparty risks.
- Common regulatory or economic dependencies.

Concentration should be understood in the context of the investment rationale, financial capacity and potential consequences of adverse developments.

13. Reinvestment of Capital

Reinvestment is an important part of long-term capital management.

Capital generated through dividends, interest, distributions, operating cash flows or realised investment proceeds may

be retained, reinvested or made available for other financial requirements.

Aura may evaluate reinvestment opportunities according to their expected economic contribution, valuation, risk characteristics and compatibility with its broader investment objectives.

Reinvestment decisions may involve:

- Increasing an existing ownership position.
- Supporting the development of an existing investment.
- Acquiring additional assets.
- Investing in new businesses.
- Allocating capital to financial instruments.
- Retaining resources for future opportunities.
- Reducing financial obligations.

The objective is to direct available capital towards uses that are considered appropriate at the time of the decision.

Reinvestment should not be automatic. Capital may be better preserved or redirected when existing opportunities

no longer offer an attractive relationship between value and risk.

14. Cash Flow and Income Management

Cash flow is central to understanding the financial sustainability of long-term investment commitments.

Aura may consider both the timing and reliability of cash flows generated by investments, including operating distributions, dividends, interest payments, rental income and other contractual or business-related receipts.

The analysis may examine:

- Recurring and non-recurring income.
- Cash-flow stability.
- Payment timing.
- Operating cash requirements.
- Capital expenditure.
- Debt servicing.
- Distribution policies.

- Working-capital needs.
- Potential changes in income under adverse conditions.

A distinction should be maintained between accounting earnings and cash actually available for financial use.

Reliable cash-flow analysis supports more informed decisions concerning reinvestment, liquidity and future commitments.

15. Debt and Leverage Considerations

Debt can provide access to additional financial resources, but it also introduces obligations that may reduce flexibility and increase financial risk.

Aura may assess borrowing arrangements in relation to the underlying investment, expected cash flows, repayment requirements, interest-rate exposure and the broader financial position.

Relevant considerations may include:

- Total indebtedness.

- Interest expense.
- Repayment schedules.
- Refinancing requirements.
- Security and collateral arrangements.
- Financial covenants.
- Currency mismatches.
- Sensitivity to higher interest rates.
- Potential deterioration in cash flows.

The objective is to understand whether financial obligations remain manageable under both expected and less favourable conditions.

Leverage should not be treated as a substitute for sound investment fundamentals.

16. Capital Reserves and Contingency Planning

Long-term investments may encounter unexpected financial requirements.

These may arise from economic downturns, operating disruptions, legal obligations, refinancing needs, capital expenditure or changes in market conditions.

Aura may consider maintaining appropriate financial reserves or accessible resources in relation to its obligations and investment exposure.

Contingency planning may examine:

- Unexpected operating costs.
- Emergency funding requirements.
- Debt repayment obligations.
- Investment restructuring needs.
- Temporary reductions in income.
- Delays in expected distributions.
- Adverse market conditions.
- Unforeseen legal or regulatory expenses.

The appropriate level of financial reserves depends on the company's circumstances, the nature of its commitments and its overall financial position.

17. Investment Duration and Asset-Liability Alignment

The duration of an investment should be considered alongside the timing of the financial obligations associated with it.

A mismatch may arise when capital is committed to an illiquid long-term asset while related financial obligations require repayment or funding much sooner.

Aura may evaluate the relationship between asset duration, expected cash flows, financing maturity and liquidity requirements.

This assessment can be particularly relevant to infrastructure, real estate, private equity, private credit and other investments involving extended holding periods.

The objective is to avoid unnecessary financial pressure caused by a mismatch between the time required for an investment to generate value and the timing of obligations that must be met.

18. Inflation and Purchasing Power

Inflation can influence the real economic value of capital over time.

Even when the nominal value of an investment remains unchanged, rising prices may reduce its purchasing power.

Aura may therefore consider inflation when evaluating long-term investment returns, operating costs, contractual income, asset values and future capital requirements.

The assessment may include:

- Changes in consumer and producer prices.
- Inflation sensitivity of operating costs.
- Pricing power of underlying businesses.
- Interest-rate developments.
- Contractual inflation adjustments.
- Real versus nominal investment returns.
- The impact of inflation on future capital expenditure.

The objective is to understand how changing price levels may affect the long-term economic value of capital.

19. Currency and International Capital Exposure

International investments may involve exposure to multiple currencies.

Currency movements can influence the reported value of investments, income distributions, financing obligations and the cost of future capital commitments.

Aura may assess foreign-exchange exposure in relation to the geographical distribution of investments and the currencies in which assets, revenues, expenses and liabilities are denominated.

Relevant considerations may include:

- Currency concentration.
- Exchange-rate volatility.
- Currency mismatches.
- Foreign-currency debt.
- Repatriation requirements.
- Hedging costs and suitability.

- Local market conditions.
- International payment restrictions.

Where appropriate, currency risk may be managed through investment structuring, financing decisions or suitable financial arrangements.

Any hedging approach should be evaluated in relation to its costs, limitations and intended purpose.

20. Interest-Rate and Financing Environment

Interest rates can influence investment valuations, borrowing costs, refinancing conditions and the economic performance of businesses.

Long-term capital management may therefore require consideration of changing interest-rate environments.

Aura may evaluate how interest-rate movements could affect:

- Existing debt obligations.
- Future borrowing requirements.
- Fixed-income investments.

- Property valuations.
- Corporate financing conditions.
- Discount rates used in investment valuation.
- Consumer and business demand.
- The relative attractiveness of different investment opportunities.

The objective is to understand how financing conditions may influence capital allocation and the resilience of existing commitments.

21. Economic Cycles and Market Conditions

Economic conditions evolve over time, and different investments may respond differently to periods of expansion, slowdown, recession and recovery.

Aura may consider the relationship between investment commitments and the broader economic environment.

This may involve evaluating economic growth, employment, inflation, monetary policy, fiscal conditions, credit availability, trade developments and geopolitical risks.

Long-term capital management should not depend on the assumption that current economic conditions will continue indefinitely.

Instead, investment decisions may be assessed across different economic scenarios to understand potential vulnerabilities and opportunities.

22. Risk Management Across Long-Term Commitments

Long-term investments may involve risks that develop gradually or become visible only after significant periods.

Aura may consider financial, operational, market, regulatory, technological, environmental, geopolitical and counterparty risks as part of its broader capital management approach.

The review may examine:

- The likelihood of adverse developments.
- The potential financial impact.
- The duration of exposure.
- The availability of mitigation measures.
- Dependencies between investments.

- The ability to respond to changing conditions.
- The possibility of permanent capital impairment.

Risk management should be integrated into the entire investment lifecycle, from initial evaluation through ownership, monitoring and eventual reassessment.

23. Scenario Analysis and Stress Testing

Scenario analysis can help evaluate how financial commitments may perform under different conditions.

Aura may consider hypothetical situations involving economic contraction, lower investment income, higher interest rates, reduced asset valuations, currency movements or unexpected capital expenditure.

Stress testing may examine the ability of available resources and investment cash flows to withstand adverse developments.

Such analysis is not intended to predict the future with certainty. Its purpose is to identify vulnerabilities and improve understanding of the potential consequences of changing conditions.

The results may inform capital allocation, liquidity planning, financing decisions and the assessment of future commitments.

24. Portfolio Reassessment and Capital Reallocation

Long-term investment management requires periodic reassessment of existing commitments.

An investment that was attractive at the time of acquisition may become less suitable because of changes in its financial performance, competitive position, industry structure or valuation.

Aura may review whether capital remains appropriately allocated across its investment interests.

This may involve increasing exposure, maintaining an existing position, reducing an investment, restructuring a commitment or considering a disposal.

Capital reallocation should be based on the investment's current economic characteristics and future prospects rather than on the desire to justify an earlier decision.

25. Ownership Responsibilities

Long-term ownership involves responsibilities that continue beyond the initial investment decision.

Where Aura holds an ownership interest in a business, the nature of its involvement may depend on the size of the investment, governance rights, contractual arrangements and the requirements of the company.

Responsible ownership may involve reviewing financial performance, understanding strategic decisions, considering capital requirements and assessing material risks.

The objective is to support informed investment stewardship while respecting the appropriate responsibilities and governance arrangements of each investment.

26. Intergenerational Capital Stewardship

For a family-owned investment company, long-term capital management may extend beyond the investment horizon of any single individual.

Intergenerational stewardship involves considering how capital, ownership responsibilities and financial knowledge may be maintained over time.

Aura's family-owned structure provides a long-term context for evaluating capital decisions in relation to continuity, financial responsibility and the interests of future generations.

This perspective may involve consideration of:

- Sustainable capital allocation.
- Financial resilience.
- Responsible ownership.
- Long-term investment education.
- Governance and decision-making continuity.
- Succession and ownership arrangements.
- Preservation of financial flexibility.
- The transfer of institutional knowledge.

Intergenerational stewardship does not imply that every investment must be held indefinitely. It means that major capital decisions should be considered with an awareness of their potential consequences beyond the immediate investment period.

27. Governance and Capital Oversight

Effective capital management requires appropriate governance and oversight.

Material investment commitments, financing decisions and capital reallocations should be evaluated through a process proportionate to their financial significance and complexity.

The process may include investment analysis, liquidity assessment, risk review, valuation, legal considerations and documentation of the underlying rationale.

Clear responsibilities and appropriate decision-making procedures can support consistency and accountability.

The specific governance arrangements should reflect the company's ownership structure, applicable legal requirements and the nature of its investment activities.

28. Financial Reporting and Capital Visibility

Reliable financial information is essential for understanding the company's capital position.

Aura may consider financial reporting arrangements that provide visibility into investment values, cash flows, liabilities, commitments and liquidity.

Relevant information may include:

- Investment cost and carrying values.
- Realised and unrealised gains or losses.
- Cash and liquid resources.
- Debt and financing obligations.
- Future capital commitments.
- Investment income.
- Capital expenditure requirements.
- Currency exposure.
- Material contingent liabilities.

Consistent reporting can help support informed capital allocation and identify financial developments requiring further review.

29. Tax and Regulatory Considerations

Long-term capital management may involve investments across different legal and tax jurisdictions.

The structure, ownership and financing of investments can influence tax obligations, reporting requirements and the ability to transfer or repatriate capital.

Aura may consider relevant corporate, investment, withholding, transfer-pricing and other tax requirements when evaluating capital commitments.

Regulatory obligations may also affect ownership rights, financing structures, investment activities and reporting responsibilities.

Where appropriate, specialist legal and tax advice may be sought to understand the implications of particular arrangements.

All investment and capital management activities should be conducted in accordance with applicable laws and regulations.

30. Technology and Financial Information Systems

Technology can support the monitoring and management of financial resources.

Depending on operational requirements, appropriate financial systems may help consolidate investment information, monitor cash flows, track commitments, analyse exposures and support reporting.

Useful capabilities may include:

- Financial data consolidation.
- Investment performance monitoring.
- Cash-flow forecasting.
- Liquidity reporting.
- Capital commitment tracking.
- Risk exposure analysis.
- Currency monitoring.
- Financial documentation management.

Technology should support sound financial judgement rather than replace the underlying analysis and responsibility associated with capital decisions.

31. Capital Efficiency

Capital efficiency concerns the relationship between the resources committed to an investment and the economic value generated.

Aura may evaluate whether capital is being used productively and whether the financial resources required by an investment are proportionate to its expected contribution.

This may involve reviewing operating performance, capital expenditure, working-capital requirements, asset utilisation and the returns generated relative to the capital employed.

Capital efficiency should be considered alongside investment quality and risk. A business with a high apparent return may still be unsuitable if its financial performance depends on excessive leverage or unsustainable operating assumptions.

32. Managing Underperforming Investments

Not every long-term investment will develop according to its original expectations.

Underperformance may result from operational difficulties, management decisions, industry changes, competition, financing pressures or wider economic conditions.

Aura may review the underlying causes and determine whether the investment remains economically viable.

Possible responses may include supporting operational improvements, revising investment assumptions, restructuring financial commitments, reducing exposure or considering an exit.

The appropriate response should depend on the investment's actual circumstances and the likelihood of restoring or preserving economic value.

Continuing to allocate capital solely because substantial resources have already been committed may not represent a sound decision.

33. Exit Planning and Capital Recycling

An exit may provide an opportunity to realise investment value and make capital available for other uses.

Aura may consider potential exit routes during the initial investment assessment and throughout the ownership period.

Depending on the investment, these may include:

- Sale to a strategic buyer.
- Sale to another financial investor.
- Public market disposal.
- Partial sale of an ownership interest.
- Management or shareholder buyout.
- Refinancing or recapitalisation.
- Sale of selected assets.

Exit decisions should consider valuation, transaction costs, tax implications, market conditions and the long-term consequences of releasing or reallocating capital.

Capital recycling allows financial resources realised from existing investments to be considered for future opportunities or retained to strengthen liquidity.

34. Continuity and Financial Resilience

Financial resilience refers to the ability to maintain financial stability when conditions become difficult.

For Aura, long-term capital management may involve considering whether investment commitments, liquidity resources, financing arrangements and governance procedures remain appropriate under changing circumstances.

Resilience can be supported through careful capital allocation, manageable obligations, reliable financial information and a realistic understanding of investment risks.

It is also important to recognise that resilience does not eliminate uncertainty. Rather, it improves the ability to understand and respond to financial challenges.

35. Long-Term Capital Management Within Aura's Investment Framework

Long-term capital management connects the different areas of Aura's investment activities.

Private equity, public equity, real estate, infrastructure, fixed income, private credit, technology, strategic corporate investments and other investment categories may have different liquidity profiles, risk characteristics and capital requirements.

The management of these investments should therefore be considered within a broader financial framework.

Aura may evaluate how each investment contributes to the overall capital structure, how its commitments interact with other holdings and whether the distribution of resources remains consistent with long-term objectives.

This integrated perspective supports more informed decisions concerning investment priorities, financial flexibility and the responsible deployment of family-owned capital.

36. Conclusion

Long-term capital management is an essential element of responsible investment stewardship. It involves balancing capital preservation, investment development, liquidity,

financial flexibility and the ability to respond to future opportunities and obligations.

At Aura, this approach is guided by the principles of disciplined capital allocation, careful risk assessment and a long-term understanding of financial value.

As a privately owned, family-controlled international investment company, Aura considers capital management in relation to its own family-owned capital and the responsibility of maintaining a sound financial foundation over time.

The emphasis is on deploying capital thoughtfully, preserving appropriate flexibility, evaluating investment commitments continuously and supporting sustainable economic value.

Aura regards long-term capital management not simply as the administration of financial resources, but as an ongoing responsibility connected to ownership, continuity and the stewardship of family-owned capital across generations.