

ALTERNATIVE INVESTMENTS

AURA.CO.TH

1. Introduction

Alternative investments encompass a broad range of investment assets and strategies that extend beyond conventional publicly traded equities, traditional fixed income securities and cash instruments.

They may include privately negotiated investments, specialist financial strategies, tangible assets, structured opportunities and other investment structures with distinctive return characteristics.

For an investment company with a long-term capital perspective, alternative investments can provide access to different economic exposures, specialised markets and opportunities that may not be readily available through conventional financial instruments.

Aura considers alternative investments as part of its broader approach to capital allocation and portfolio diversification.

As a privately owned, family-controlled international investment company, Aura evaluates these opportunities through the disciplined deployment of its own family-owned

capital. The investment process places importance on understanding the underlying asset, investment structure, liquidity, valuation, counterparty exposure and potential for capital preservation.

The objective is not to pursue complexity for its own sake. Alternative investments must demonstrate a credible investment rationale, appropriate risk characteristics and a potential contribution to the wider investment framework.

2. Investment Philosophy

Aura's philosophy towards alternative investments is based on selectivity, diversification and a clear understanding of the economic factors that influence investment performance.

Alternative investments can differ substantially from traditional financial assets. Some involve private ownership, specialised contractual arrangements or less frequently traded markets. Others may use sophisticated financial structures or strategies that require specialist knowledge.

These characteristics can create opportunities, but they may also introduce additional complexity and risk.

Aura therefore considers each opportunity according to its individual merits rather than treating alternative investments as a single homogeneous asset class.

The principal considerations include:

- The underlying economic value of the investment.
- The source and sustainability of potential returns.
- The investment structure and contractual rights.
- Liquidity and expected holding period.
- Valuation methodology and transparency.
- Counterparty and operational risks.
- Legal and regulatory considerations.
- The relationship between risk and expected return.
- The investment's contribution to overall portfolio diversification.

The guiding principle is that an alternative investment should be understandable, appropriately structured and consistent with the broader objectives of family-owned capital.

3. Scope of Alternative Investments

Aura's alternative investment universe may include a variety of assets and strategies that fall outside conventional listed equity and traditional bond investments.

Potential categories may include:

- Selected hedge fund strategies.
- Private market investment structures.
- Special situations investments.
- Structured financial investments.
- Alternative credit strategies.
- Commodities-related investments.
- Collectible and specialist tangible assets.
- Intellectual property-related investments.
- Selected real asset opportunities.
- Market-neutral investment strategies.
- Relative-value strategies.
- Other specialised investment opportunities.

These categories have different risk, liquidity, valuation and operational characteristics.

Each opportunity is considered separately, with due regard to its legal structure, underlying economics and suitability within the broader capital allocation framework.

Inclusion within the investment universe does not imply that Aura currently holds an investment in any particular category.

4. Portfolio Diversification

Diversification is one of the potential reasons for considering alternative investments.

Traditional investment portfolios may be exposed to common economic factors such as interest rates, inflation, corporate earnings, market sentiment and changes in financial conditions.

Certain alternative investments may respond to different economic drivers, potentially providing additional sources of return or reducing dependence on a limited number of conventional markets.

Aura considers diversification in terms of actual economic exposure rather than simply the number of investment categories held.

An investment that appears different in legal or financial structure may still be exposed to the same underlying market risks as other portfolio positions.

The assessment therefore considers:

- Historical and potential return relationships.
- Sensitivity to economic conditions.
- Exposure to market volatility.
- Liquidity during periods of stress.
- Concentration across underlying risk factors.
- Dependence on common counterparties.
- Potential correlations during market disruptions.

Diversification may improve the overall balance of an investment portfolio, but it does not eliminate the possibility of loss.

5. Hedge Fund Strategies

Hedge funds may employ a range of investment strategies that differ from traditional long-only equity and bond investing.

Depending on their structure and mandate, these strategies may seek to generate returns through market direction, relative pricing differences, corporate events, macroeconomic developments or other specialised opportunities.

Aura may consider selected hedge fund strategies where the investment approach is sufficiently transparent and the underlying risks can be appropriately evaluated.

Potential strategies may include:

Long/short equity: Taking long and short positions in selected securities based on differences in expected performance.

Global macro: Investing according to views on interest rates, currencies, economic developments and global financial conditions.

Event-driven strategies: Evaluating investment opportunities associated with mergers, acquisitions, restructurings and other corporate events.

Relative value: Seeking to benefit from pricing differences between related financial instruments.

Market-neutral strategies: Attempting to reduce exposure to broad market movements through offsetting positions.

Multi-strategy approaches: Combining several investment strategies within a single portfolio.

The assessment considers investment methodology, leverage, liquidity, risk controls, counterparty exposure, fee structures and the quality of the investment manager.

6. Special Situations Investments

Special situations investments involve opportunities arising from unusual corporate, financial, legal or market circumstances.

These may include companies undergoing restructuring, businesses facing temporary financial pressure, corporate reorganisations, distressed securities or other situations where the market valuation may not fully reflect the underlying economic circumstances.

Aura may consider such opportunities where the relevant risks can be understood and the potential investment return is supported by a credible financial or commercial rationale.

The assessment may involve:

- The underlying business or asset value.
- The causes of financial or operational difficulty.
- Capital structure and creditor priority.
- Legal and contractual rights.
- Restructuring prospects.
- Management capability.
- Recovery scenarios.
- Expected investment duration.
- Potential sources of value realisation.

Special situations can involve substantial uncertainty, particularly where financial distress, litigation or complex ownership structures are present.

A low market price does not necessarily indicate an undervalued investment. The economic condition of the underlying business and the probability of recovery must be carefully examined.

7. Structured Financial Investments

Structured investments combine different financial instruments or contractual features to create a particular investment exposure.

They may involve combinations of debt, equity, derivatives, collateral arrangements or other financial components.

Depending on their structure, these investments may provide exposure to specified market conditions, income arrangements, capital participation or defined payoff profiles.

Aura may evaluate structured investment opportunities where the economic mechanics, contractual obligations and potential outcomes are sufficiently transparent.

The assessment may consider:

- Underlying reference assets.
- Contractual payoff arrangements.
- Embedded derivatives.
- Credit exposure.
- Counterparty obligations.
- Market sensitivity.

- Liquidity.
- Early termination provisions.
- Valuation methodology.
- Legal documentation.

Particular attention is given to the distinction between a product's stated return characteristics and the actual risks embedded within its structure.

Complexity should not be mistaken for investment quality. A structured investment must be understandable in terms of its economic exposure and potential loss scenarios.

8. Alternative Credit Strategies

Alternative credit includes financing and credit-related approaches that extend beyond conventional public bond investments.

These may include selected private lending strategies, asset-backed financing, distressed credit, specialty finance and other privately negotiated credit exposures.

Aura may consider such opportunities where the expected return is supported by an appropriate understanding of

borrower quality, contractual protection and recovery prospects.

The analysis may include:

- Borrower creditworthiness.
- Loan seniority.
- Collateral quality.
- Debt-service capacity.
- Covenant protection.
- Liquidity and maturity.
- Default probability.
- Recovery assumptions.
- Legal enforceability.
- Concentration exposure.

Alternative credit can provide access to specialised lending markets, but it may involve limited transparency, complex structures and reduced liquidity.

The investment assessment therefore places importance on underwriting quality and the economic substance of the financing arrangement.

9. Commodities and Real Asset-Related Opportunities

Certain alternative investments may provide exposure to commodities and tangible assets whose values are influenced by physical supply, demand, production conditions and global economic activity.

Potential areas may include selected precious metals, industrial materials, agricultural commodities and other resource-related exposures.

Aura considers these opportunities in relation to their underlying market dynamics and their potential role within the broader investment framework.

The assessment may include:

- Global supply and demand.
- Production and inventory levels.
- Transportation and storage costs.

- Market liquidity.
- Currency exposure.
- Price volatility.
- Geopolitical developments.
- Regulatory requirements.
- Physical custody and verification, where applicable.

Where an investment involves physical assets, the ownership structure, storage arrangements, insurance and independent verification of the asset are important considerations.

Commodity-related investments may offer exposure to different economic factors, but their prices can be highly volatile and may not generate contractual income.

10. Intellectual Property and Specialist Assets

Intellectual property and certain specialist assets may represent alternative investment opportunities where their economic value can be established and the associated ownership rights are sufficiently clear.

Potential areas may include patents, technology licences, selected royalty arrangements, trademarks, specialist commercial rights and other identifiable intangible assets.

Aura may consider such opportunities where there is a credible basis for assessing the asset's commercial relevance and potential income generation.

The assessment may examine:

- Legal ownership.
- Registration and protection.
- Licensing arrangements.
- Existing and potential commercial applications.
- Revenue history.
- Market demand.
- Contractual rights.
- Remaining useful life.
- Legal disputes.
- Transferability and liquidity.

The valuation of intangible assets can be particularly challenging because their economic value may depend on future adoption, legal enforceability and the continued relevance of the underlying technology or commercial right.

Aura therefore places importance on independent evidence and conservative valuation assumptions.

11. Specialist Tangible Assets

Certain physical assets may be considered within the alternative investment universe where their value is supported by identifiable characteristics, market evidence and appropriate ownership arrangements.

Depending on the opportunity, these may include selected collectible assets, specialist equipment, rare materials or other tangible property.

Such investments require an understanding of the specific market in which the asset is traded.

Relevant considerations include:

- Authenticity and provenance.
- Independent valuation.
- Physical condition.

- Ownership documentation.
- Storage and insurance.
- Maintenance requirements.
- Transaction costs.
- Market demand.
- Resale liquidity.
- Legal restrictions.

Specialist tangible assets may have limited market depth and can involve significant differences between estimated values and achievable sale prices.

Their investment characteristics should therefore be assessed carefully rather than assuming that rarity alone guarantees economic value.

12. Investment Evaluation Methodology

Aura applies a structured evaluation process to potential alternative investments.

Because the category includes a wide range of assets and strategies, the assessment must be adapted to the characteristics of each opportunity.

The evaluation may include:

Economic assessment: Understanding the underlying asset, strategy or contractual exposure.

Return analysis: Identifying the principal sources of expected investment returns.

Risk analysis: Evaluating market, credit, liquidity, operational and structural risks.

Valuation assessment: Examining pricing methodology, assumptions and available independent evidence.

Legal review: Reviewing ownership rights, contractual obligations and enforceability.

Operational review: Considering custody, administration, reporting and control arrangements.

Portfolio assessment: Evaluating the investment's contribution to diversification and overall capital allocation.

The objective is to establish a clear investment rationale and identify the conditions under which the opportunity may generate or lose value.

13. Valuation and Pricing Discipline

Alternative investments may not have continuously observable market prices.

Some assets are privately negotiated, infrequently traded or valued through models that rely on assumptions about future cash flows and market conditions.

Aura recognises that valuation uncertainty can be significant in these markets.

Depending on the investment, valuation methodologies may include:

- Independent market valuations.
- Comparable transaction analysis.
- Discounted cash-flow analysis.
- Net asset value methodologies.
- Underlying asset valuation.
- Market-based pricing.

- Scenario analysis.
- Risk-adjusted valuation models.

The assessment considers the quality and independence of valuation information, the frequency of updates and the potential difference between estimated value and realisable market value.

Where appropriate, conservative assumptions and valuation adjustments may be considered to reflect limited liquidity, market uncertainty or structural complexity.

The objective is to avoid relying on reported valuations without understanding the methodology and evidence supporting them.

14. Liquidity and Investment Duration

Liquidity is a particularly important consideration within alternative investments.

Certain opportunities may involve contractual holding periods, restricted transfers, limited secondary markets or assets that require significant time to sell.

The expected investment duration may therefore differ substantially from that of publicly traded securities.

Aura evaluates liquidity according to:

- Contractual maturity.
- Redemption and withdrawal provisions.
- Secondary market availability.
- Transfer restrictions.
- Expected transaction timelines.
- Asset disposal requirements.
- Potential early-exit costs.
- Market conditions during periods of stress.

Liquidity should be assessed under both normal and adverse market conditions.

An investment that appears reasonably liquid under favourable conditions may become difficult to realise during periods of financial uncertainty.

Capital allocation must therefore account for the possibility that funds may remain committed longer than originally expected.

15. Leverage and Counterparty Exposure

Some alternative investment strategies use borrowing, derivatives or other forms of financial leverage to increase market exposure.

While leverage may increase potential returns, it can also magnify losses and create additional liquidity and collateral requirements.

Aura considers the extent, purpose and terms of leverage within any relevant investment structure.

The analysis may examine:

- Gross and net exposure.
- Borrowing arrangements.
- Margin requirements.
- Collateral obligations.
- Financing costs.
- Counterparty concentration.
- Derivative exposures.

- Potential forced liquidation.
- Liquidity under stressed conditions.

Counterparty assessment is also important where an investment depends on banks, brokers, custodians, administrators, trading counterparties or other financial institutions.

The financial strength, operational reliability and contractual obligations of these parties may influence the overall risk of an investment.

16. Due Diligence and Independent Verification

Alternative investments may require specialised due diligence because their underlying assets, legal structures or operating arrangements can be more complex than conventional securities.

Aura may consider independent expertise where necessary to verify important aspects of an opportunity.

The due diligence process may include:

- Verification of ownership and title.

- Review of legal documentation.
- Independent asset valuation.
- Financial and performance analysis.
- Examination of investment methodology.
- Review of historical returns.
- Assessment of operational procedures.
- Custody and safekeeping arrangements.
- Counterparty verification.
- Regulatory and compliance review.

Where investment managers or specialist operators are involved, the assessment may also consider their experience, governance, reporting quality, operational controls and fee structures.

Independent verification is particularly important when an investment depends on assets or valuations that are not readily observable in public markets.

17. Risk Management

Alternative investments may involve a combination of risks that differ substantially from conventional financial instruments.

Aura considers these exposures as part of the investment evaluation and, where appropriate, throughout the investment holding period.

Market risk: Changes in asset prices, interest rates, currencies or broader market conditions may affect investment value.

Liquidity risk: The investment may be difficult to sell or redeem within the expected period.

Valuation risk: Limited market information or model-based assumptions may result in inaccurate valuations.

Counterparty risk: A financial institution, borrower, administrator or other contractual party may fail to meet its obligations.

Leverage risk: Borrowing or derivative exposure may amplify losses and create additional funding requirements.

Operational risk: Weak administration, custody, reporting or internal controls may impair investment performance or asset protection.

Legal risk: Ownership disputes, contractual weaknesses or regulatory changes may affect investment rights.

Concentration risk: Excessive exposure to a particular strategy, market or counterparty may increase vulnerability.

Model risk: Financial models and investment assumptions may fail to reflect actual market behaviour.

Fraud and misrepresentation risk: Inadequate verification may expose investors to inaccurate information, unauthorised activities or fraudulent arrangements.

Geopolitical risk: Political developments, sanctions or restrictions may affect asset ownership, market access and investment realisation.

The objective is to understand the full range of potential exposures and ensure that expected returns are considered in relation to the possibility of capital loss.

18. Investment Governance and Oversight

Effective governance is essential when evaluating and holding alternative investments.

Aura considers whether the investment structure provides sufficient transparency, reporting, accountability and protection of ownership rights.

Depending on the nature of the opportunity, governance considerations may include:

- Clear investment mandates.
- Defined investment responsibilities.
- Appropriate approval procedures.
- Independent valuation arrangements.
- Custody and asset verification.
- Financial reporting.
- Risk monitoring.
- Conflict-of-interest controls.
- Compliance oversight.
- Contractual rights and remedies.

Where external specialist managers or service providers are involved, their responsibilities and reporting obligations should be clearly established.

The purpose of governance is to ensure that investment decisions remain consistent with the original investment rationale and the broader requirements of family-owned capital.

19. Regulatory and Legal Considerations

Alternative investments may operate across different legal and regulatory environments.

Their treatment can depend on the nature of the asset, investment structure, jurisdiction, counterparties and applicable financial regulations.

Aura considers relevant legal and regulatory matters before committing capital.

These may include:

- Investment and securities regulation.
- Private fund and partnership structures.
- Derivatives and trading requirements.
- Commodity-related regulation.
- Asset ownership and transfer rules.

- Tax treatment.
- Anti-money-laundering requirements.
- Sanctions and restricted-party considerations.
- Cross-border investment restrictions.
- Custody and asset-protection requirements.
- Contractual enforceability.

Where investments involve multiple jurisdictions, legal analysis should consider differences in ownership rights, regulatory obligations and dispute resolution mechanisms.

Appropriate legal review is an important part of evaluating complex or privately negotiated investment structures.

20. Responsible Investment Considerations

Aura recognises that alternative investments may have economic, environmental and social implications depending on their underlying assets and activities.

Where material, these considerations form part of the investment assessment.

Potential areas include:

- Environmental impact.
- Responsible resource use.
- Business conduct.
- Labour and workplace standards.
- Governance quality.
- Data protection.
- Supply-chain practices.
- Legal compliance.
- Transparency and accountability.

The relevance of these factors depends on the specific investment.

Aura seeks to consider material non-financial risks alongside financial and commercial factors when evaluating the sustainability and resilience of an opportunity.

21. Investment Monitoring and Performance Review

Alternative investments may require ongoing monitoring because their valuation, liquidity and risk characteristics can change over time.

Aura may consider periodic reviews of:

- Investment performance.
- Underlying asset values.
- Cash-flow generation.
- Changes in market conditions.
- Counterparty financial strength.
- Liquidity and redemption conditions.
- Leverage and collateral requirements.
- Legal or regulatory developments.
- Operational arrangements.
- Changes to the original investment strategy.

The review should also consider whether the investment continues to serve its intended role within the broader investment framework.

Material changes in market conditions or investment structure may require a reassessment of the original investment assumptions.

22. The Role of Alternative Investments Within Family-Owned Capital

Alternative investments may provide access to specialist opportunities and different sources of economic exposure.

Their potential contribution is assessed in relation to Aura's broader investment activities, including public equities, fixed income, private equity, private credit, real estate, infrastructure, energy and strategic corporate investments.

The role of an alternative investment depends on its individual characteristics.

Some opportunities may offer potential diversification benefits, while others may introduce additional liquidity, valuation or operational complexity.

Aura therefore considers alternative investments within an integrated capital allocation framework, taking account of

overall risk exposure, liquidity requirements, investment duration and the preservation of family-owned capital.

The objective is to ensure that specialist opportunities complement the broader investment structure rather than creating unnecessary complexity or concentration.

23. Investment Principles

Aura's approach to alternative investments is guided by the following principles:

Selectivity: Considering opportunities according to their individual merits and investment rationale.

Economic understanding: Examining the underlying asset, strategy and sources of potential returns.

Diversification: Assessing the contribution of each investment to the broader portfolio's risk structure.

Valuation discipline: Recognising uncertainty in markets where pricing may be limited or model-dependent.

Liquidity awareness: Understanding contractual restrictions and realistic exit possibilities.

Risk transparency: Evaluating leverage, counterparty, operational, legal and market exposures.

Independent verification: Considering appropriate due diligence and external expertise where necessary.

Capital preservation: Allocating family-owned capital with careful attention to the possibility of loss.

These principles reflect Aura's commitment to informed judgement, disciplined investment selection and responsible capital allocation.

24. Conclusion

Alternative investments provide access to a broad range of assets and strategies beyond conventional financial markets.

They may offer specialist investment opportunities and different sources of return, but their complexity, liquidity characteristics and valuation uncertainty require careful assessment.

Aura approaches alternative investments through a disciplined framework that emphasises economic understanding, independent due diligence, appropriate valuation, risk management and long-term capital allocation.

As a privately owned, family-controlled international investment company, Aura evaluates these opportunities through the responsible deployment of its own family-owned capital.

The emphasis remains on understanding what is being acquired, identifying the factors that may influence its value and determining whether the opportunity is consistent with the broader objective of preserving and developing family-owned capital over time.