



Pallas Short Term Fund

Performance Update — Q4 2023

31 December 2023
PSTF

Key Information & Service Providers

Fund Product	Pallas Short Term Fund (PSTF)
APIR Code	PCF7474AU
Net Return	4.75% p.a. plus 1 month BBSW
Total Investor Return	9.05% p.a. (incl. BBSW) (BBSW as at 1 Dec 2023)
Investment Type	Unregistered Managed Investment Trust
Start Date	November 2021
Term	Open-ended
Distributions	Monthly in arrears
Redemption Notice Period	Minimum 3 months
Trustee	Pallas Funds Pty. Limited. (AFSL No. 473475)
Investment Manager	Pallas Capital Pty. Limited. (AFSL AR No. 1257625)
Fund Ratings	3.75 Star Favourable Rating SQM Research (SQM)
Platforms	HUB24

Key Metrics as at 31 December 2023

Issue Limit	150 million units
Total Issue Size	\$56,644,565
Total Loan Investments	\$53,287,302
Total Cash	\$3,357,263
Total Current Loan Investments	20
Average Portfolio LVR	61.6%
Weighted Average Term to Maturity	4.3
Loans in Arrears > 90 Days	NIL

Investment Objective

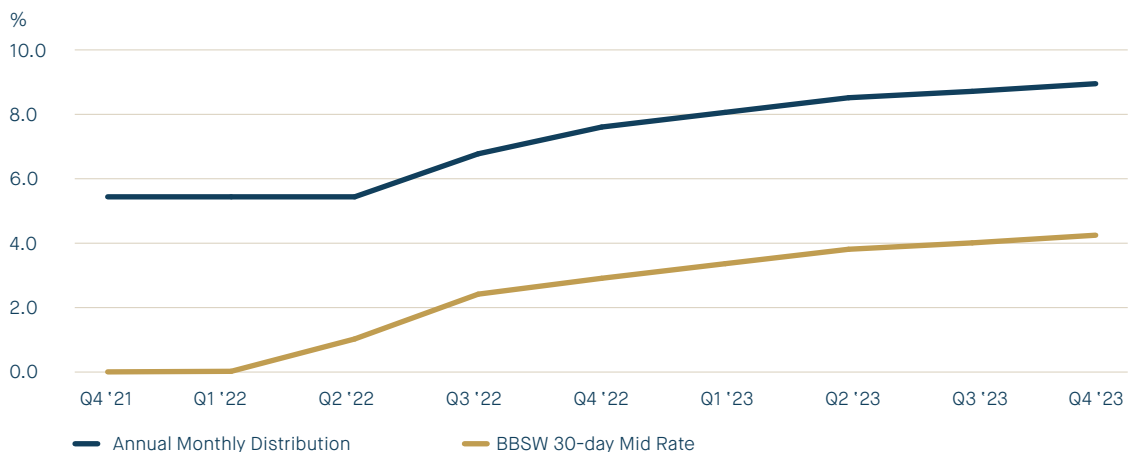
To achieve returns of 4.75% p.a. (plus BBSW), and provide monthly cash income, capital preservation and portfolio diversification in short term investments.

The Pallas Short Term Fund (PSTF) seeks to achieve the Investment Objective by building a portfolio that offers exposure to real estate loans secured by first mortgages only, predominately located in the Sydney and Melbourne metropolitan areas.

Fund Performance

	1 Month	3 Months	6 Months	1 Year	Since Inception
Total Return p.a.	9.05%	8.93%	8.89%	8.55%	7.33%
Cents Per Unit	0.8	2.2	4.5	8.6	15.3

Distribution History



Source: Pallas Capital 2023.

NB: In Q3 2022 the Fund converted from a fixed rate to fixed rate margin above BBSW



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About Pallas Capital

Pallas Capital is an institutional debt and equity investment manager specialising in the finance of Australian and New Zealand Commercial Real Estate. The business was established in direct response to the growing lack of credit in the mid-range property market; a situation exacerbated by the absence of reputable, risk-adverse, non-bank lenders.

This has meant that private capital can increasingly access outsized returns relative to risk in an asset class not previously accessible.

With offices in Sydney, Melbourne, Brisbane and Auckland we have originated and managed more than \$3.8 billion across 554 transactions in the past seven years, with current Funds Under Management in excess of \$1.7 billion. With a flawless track record of capital preservation, Pallas Capital has returned over \$2.3 billion to investors with no loss of principal capital or interest on Pallas investments.

Who can Invest?

Pallas Capital products are only available to wholesale clients (including sophisticated and professional investors) within the meaning of Section 761G of the Corporations Act 2001 (Cth).

Typically, this may be satisfied by an Accountant's Certificate that certifies that the investor has:

- Net Assets in excess of \$2.5 million, or
- Gross Income in excess of \$250,000 p.a. for each of the preceding two financial years.

What Investments are Available?

Pallas Capital offers a range of options for investors seeking to invest beyond traditional asset classes and unlock differentiated opportunities through Australian Commercial Real Estate. These include:

- Diversified pooled first mortgage portfolio investments including the Pallas FM Trust Fixed Rate Bond;
- Bespoke first and second mortgage investments; and
- Preferred equity and ordinary equity investment offerings in real estate development projects.

What is the Investment Term?

Typically, loan participations and preference equity investments are between six months and two years in term. Ordinary equity investments may extend to three years. Diversified Funds, unless otherwise specified, are open-ended in nature.

Do the Investment Products Provide Liquidity or Distributions?

For debt investments, income is paid monthly or quarterly in arrears. For preference equity, income is generally paid quarterly and partly paid on final redemption. Ordinary equity returns are paid upon redemption or completion of the investment.

By virtue of the asset class and the structure of these products, these single asset investments are illiquid in nature and redemptions during the investment term are not possible. Liquidity profiles (redemption mechanisms) vary between the Diversified Fund products; typically ranging from three (3) months' to 12 months' written notice.

Sydney Office (HQ)

Pallas House Sydney, Level 5, 30-36 Bay St
Double Bay NSW 2028

Melbourne Office

Level 1, 67 Palmerston Crescent
South Melbourne VIC 3205

Brisbane Office

The Annex, Level 1, 12 Creek Street
Brisbane, QLD 4000

Auckland, New Zealand

Level 7, Suite 7.2, 1 Albert Street,
Auckland NZ 1010

pallascapital.com.au
[linkedin.com/company/pallascapital](https://www.linkedin.com/company/pallascapital)
+61 2 8188 1108

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