



Pallas Warehouse Trust No.3

Performance Update – Q4 2023

31 December 2023
PWT3

Key Information & Service Providers

Fund Product	Pallas Warehouse Trust No.3 (PWT3)
APIR Code	PCF9185AU
Net Return	6.5% p.a. plus 1 month BBSW
Total Investor Return (BBSW as at 1 Dec 2023)	10.80% p.a. (incl. BBSW)
Investment Type	Unregistered Managed Investment Trust
Start Date	April 2021
Term	Open-ended
Distributions	Monthly in arrears
Redemption Notice Period	Minimum 12 months
Trustee	Pallas Funds Pty. Limited. (AFSL No. 473475)
Investment Manager	Pallas Capital Pty. Limited. (AFSL AR No. 1257625)
Fund Ratings	4 Star Superior Rating SQM Research (SQM)
Platform	HUB24, Mason Stevens, Netwealth

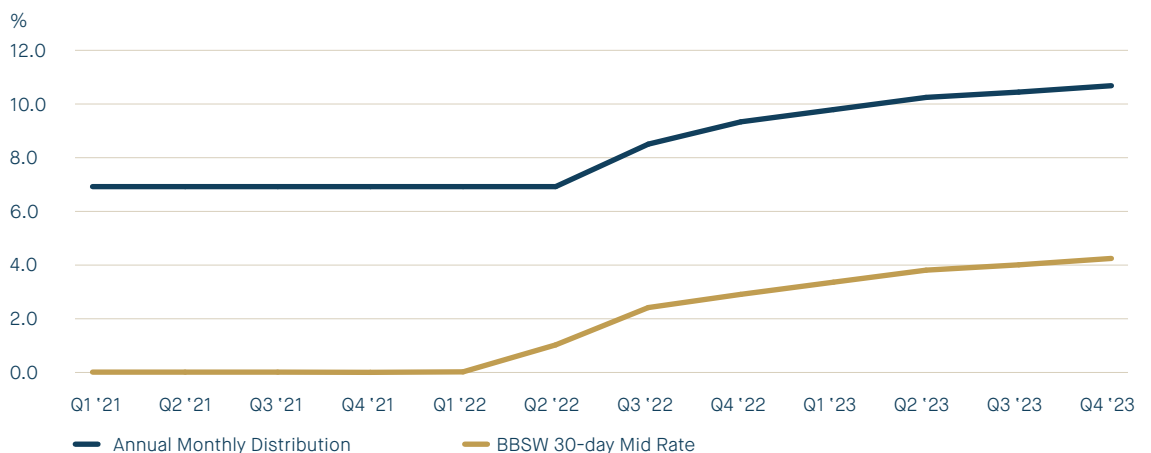
Investment Objective

To achieve returns of 6.5% p.a. plus BBSW (net of fees and expenses), and provide monthly cash income, capital preservation and portfolio diversification. The Pallas Warehouse Trust No.3 (PWT3) seeks to achieve the Investment Objective by building a portfolio that offers exposure to real estate loans secured by first mortgages, predominately located in Sydney, Melbourne and Brisbane metropolitan areas.

Fund Performance

	1 Month	3 Months	6 Months	1 Year	Since Inception
Total Return p.a.	10.80%	10.68%	10.64%	10.30%	8.42%
Cents Per Unit	0.9	2.7	5.4	10.3	23.9

Distribution History



Key Metrics as at 31 December 2023

Issue Limit	150 million units
Total Issue Size	\$121,356,785
Total Loan Investments	\$120,286,876
Total Cash	\$1,069,909
Investment Protection (IP)	\$5,000,000
Weighted Average Portfolio LVR	61.9%
Weighted Average Term to Maturity	8.5
Loans in Arrears > 90 Days	NIL
SPV Lenders Portfolio	
Total Current Loan Investments	19
Average Portfolio LVR	63.9%
Weighted Average Term to Maturity	8.1
Total SPV Lender Portfolio	\$23,240,232
Pool Lenders Portfolio (Look Through)	
Pallas Funding Trust No.1 (PFT1)	
Total Investment	\$54,437,907
Percentage of Issue Size	44.9%
Total Current Loan Investments	63
Average Portfolio LVR	60.8%
Weighted Average Term to Maturity	8.7
Pallas Funding Trust NZ (PFTNZ)	
Total Investment	\$40,501,614
Percentage of Issue Size	33.4%
Total Current Loan Investments	37
Average Portfolio LVR	61.9%
Weighted Average Term to Maturity	8.2
Total Pool Lender Portfolio	\$94,939,521



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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.

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