



# Pallas Warehouse Trust No.1

Performance Update – Q4 2024

31 December 2024  
PWT1

## Key Information & Service Providers

<b>Fund Product</b>	Pallas Warehouse Trust No.1 (PWT1)
<b>Net Return</b>	6.0% p.a. plus 1 month BBSW
<b>Total Investor Return</b> (BBSW as at 1 December 2024)	10.31% p.a. (incl. BBSW)
<b>Investment Type</b>	Unregistered Managed Investment Trust
<b>Start Date</b>	March 2019
<b>Term</b>	Open-ended
<b>Distributions</b>	Monthly in arrears
<b>Redemption Notice Period</b>	Minimum 12 months
<b>Withholding Tax</b>	S.128F Compliant
<b>Trustee</b>	Pallas Funds Pty. Limited. (AFSL No. 473475)
<b>Investment Manager</b>	Pallas Capital Pty. Limited. (AFSL AR No. 1257625)

## Key Metrics as at 31 December 2024

<b>Issue Limit</b>	150 million notes
<b>Total Issue Size</b>	\$19,069,468
<b>Total Loan Investments</b>	\$18,014,497
<b>Total Cash</b>	\$1,054,971
<b>Investment Protection (IP)</b>	\$953,473
<b>Total Current SPV Investments</b>	13
<b>Weighted Average Portfolio LVR</b>	61.1%
<b>Weighted Average Term to Maturity</b>	7.05 (months)
<b>Loans in Arrears &gt; 90 Days</b>	0

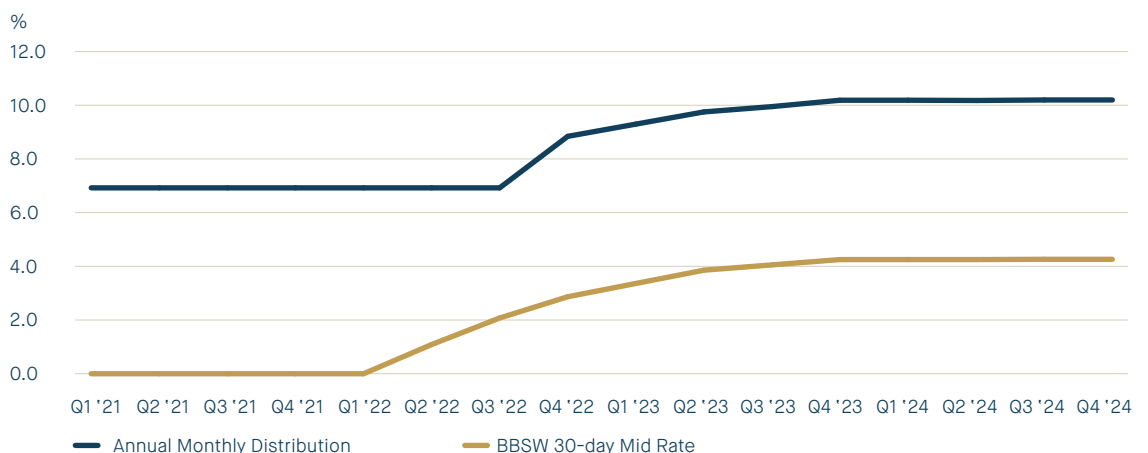
## Investment Objective

To achieve returns of 6.0% p.a. plus 1 month BBSW (net of fees and expenses), and provide monthly cash income, capital preservation and portfolio diversification. Pallas Warehouse Trust No.1 (**PWT1**) continues to seek to achieve the Investment Objective by building a portfolio that offers exposure to real estate loans secured by first mortgages only, predominately located in Sydney and Melbourne metropolitan areas.

## Fund Performance

	1 Month	3 Months	6 Months	1 Year	Since Inception
Total Return p.a.	10.31%	10.31%	10.31%	10.30%	8.10%
Cents Per Unit	0.88	2.60	5.20	10.33	47.34

## Distribution History



Source: Pallas Capital 2024.  
NB: In Q3 2022 the Fund converted from a fixed rate to fixed rate margin above BBSW



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### Investment Strategy

The Investment Manager continues to deploy the Fund into senior debt opportunities with a focus on metro locations along the Eastern Seaboard. The investment strategy remains unchanged with our focus on clear and achievable exit strategies and sound sponsor counterparties.

2025 is expected to provide continued strong lending conditions, particularly for construction loans as new residential developments commence to take advantage of expected tailwinds resulting from record immigration, record low residential vacancy rates, an expectation of a softening interest rate environment and a stabilisation of building costs.

### Investment Activity

As at 31 December 2024, the Pallas Warehouse Trust No.1 was diversified across 13 first mortgages, with the top 10 investments representing 91.6% of the Total Issue Size as follows:

#### Top 10 Holdings (SPV Lender Portfolio)

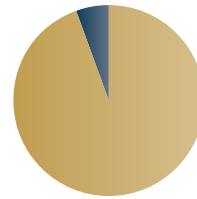
Investment	Amount	LVR	Exposure
South Melbourne, FM Vacant Land	\$4,150,000	50.0%	21.8%
Double Bay, FM Construction	\$3,677,671	65.0%	19.3%
Mascot, FM Construction	\$2,995,759	65.0%	15.7%
Richmond, FM Pre-Development	\$1,959,515	65.0%	10.3%
Mandurah, FM Pre-Development	\$1,100,000	60.0%	5.8%
Richmond, FM Pre-Development	\$965,000	65.0%	5.1%
Hampton, FM Construction	\$714,828	65.0%	3.7%
Newstead, FM Pre-Development	\$700,000	65.0%	3.7%
Orange, FM Vacant Land	\$600,000	60.0%	3.1%
Sandringham, FM Construction	\$588,315	65.0%	3.1%
<b>Total</b>	<b>\$17,451,088</b>		<b>91.6%</b>

As at 31 December 2024, PWT1 held \$1,054,971 as uninvested cash and \$953,473 (5% of FUM) as First Loss Capital Protection (FLCP).

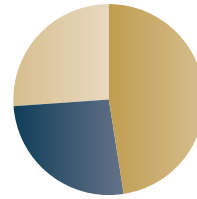
Pallas Capital continues to remain satisfied with how the deployment of PWT1 funds are tracking, and in the performance with the underlying loans.

### Asset Diversification

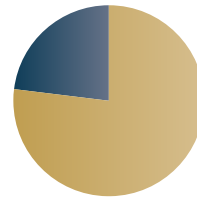
As at 31 December 2024, the Pallas Warehouse Trust No.1 portfolio was diversified across Loan Type and Location as follows:



Portfolio Composition	
Funds Invested	94.5%
Cash	5.5%



Portfolio Diversification*	
Construction	47.4%
Vacant Land	26.4%
Pre-Development	26.2%



Geographic Diversification*	
NSW	77.2%
VIC	22.8%

\*Based on deployed funds only. Excludes any cash position of Fund



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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 \$7 billion across 979 transactions in the past eight years, with current Funds Under Management in excess of \$2.6 billion. With a flawless track record of capital preservation, Pallas Capital has returned over \$4.4 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 twelve (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 Office

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

### Christchurch Office

Public Trust Building, Level 1, 152 Oxford Terrace  
Christchurch 8011

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## Compliance Certificate for Quarter Ending 31 December 2024

### Commercial in Confidence

To: Noteholders

Investment Memorandum – Pallas Warehouse Trust No.1

We refer to the Investment Memorandum dated December 2022 issued by Pallas Capital Pty. Limited (ACN 616 130 913) acting as the Corporate Authorised Representative (ASIC No. 001257625) of Pallas Funds Pty. Limited (ACN 604 352 347) as trustee of the Pallas Warehouse Trust No.1 (**Issuer**) (**Investment Memorandum**).

This Compliance Certificate is issued in accordance with the reporting provision set out in Section 3 (Key Terms) of the Investment Memorandum. Terms used in the Investment Memorandum have the same meaning in this certificate.

As at 31 December 2024, the Issuer hereby confirms that:

- a) the Issuer is in compliance with all obligations under the Transaction Documents referred to on page 9 of the Investment Memorandum; and
- b) no event of default under the Transaction Documents is subsisting.

Signed for and on behalf of Pallas Funds Pty Ltd as trustee of the Pallas Warehouse Trust No.1

Director: Patrick Keenan  
Date: 31 January 2025

Director: Dan Gallen  
Date: 31 January 2025



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