Pallas Senior Income Fund

Monthly Performance Report — November 2025
For Period: 1 November– 30 November 2025

Key Metrics as at 30 November 2025

9.35% SINCE INCEPTION ANNUALISED NET RETURN	**0.43%** SINCE INCEPTION ANNUALISED PERFORMANCE ABOVE TARGET
167 TOTAL LOOK-THROUGH INVESTMENTS[1]	**0** ARREARS OR IMPAIRMENTS[3]
63.67% WEIGHTED AVERAGE LVR[1]	**6.45 mths** WEIGHTED AVERAGE TERM TO MATURITY[1]

Portfolio at a Glance

First Mortgage Exposure	100%
Number of SPV Lender Investments	17
Number of Pool Lender Investments	4
Number of Borrower Entites[1]	160 +
New / Exited Investments[1]	3 / 14
Investment Protection Mechanism	Yes

Performance at a Glance

	Current Month	Last 3 Months	Since Inception
Net Distribution (p.a.)	8.74%	8.73%	9.35%
Average Net Distribution (cents per unit)	0.72	0.73	0.82
Performance Above Target[2]	0.14%	0.13%	0.43%

Key Information

Investor Type	Wholesale Investors Only[7]
Manager	Pallas Capital Pty Limited
Trustee	Pallas Funds Pty Limited
Net Target Return[2,4]	5.0% p.a. margin above the RBA Cash Rate
Min. Application	$50,000 (Daily Priced)
Distributions[5]	Monthly
Redemptions (Withdrawals)[6]	Monthly
MER[8]	120 basis points
Performance Fee	NIL (not applicable)
Independent Custodian	BNY
Auditor	EY
APIR Code	PCF6645AU

Investment Features

- Registered First Mortgage investments only
- Specialised, experienced, active manager
- Institutional-grade investment platform
- Defensive asset class with low volatility
- Diversified, seasoned portfolio of assets

Investment Objective

The Fund continues to support capital preservation and periodic income objectives through continuing to deploy capital into mid-market senior debt opportunities with a focus on metropolitan locations. The investment strategy continues to focus on clear and achievable exit strategies and sound sponsor counterparties.

Research Ratings

Superior

SQM RESEARCH

BondAdviser Approved

Platform Availability

BT Panorama

HUB24

MASON STEVENS

netwealth

Powerwrap

præmium

Spectrum is how we invest

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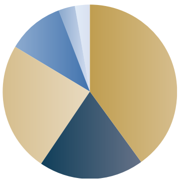
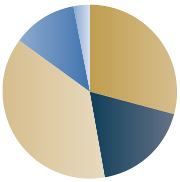
Portfolio Composition[1]



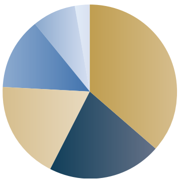
Portfolio Composition

SPV Lenders	40.1%
Pool Lender 1	19.5%
Pool Lender 2	24.1%
Pool Lender 3	10.6%
Pool Lender 4	3.1%
Cash	2.6%



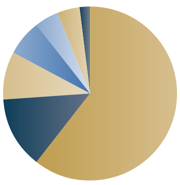
Term to Maturity*

<3 months	29.4%
3-6 months	17.9%
6-12 months	37.9%
12-24 months	11.9%
> 24 months	3.0%



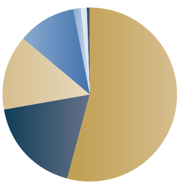
Portfolio Diversification

Construction	36.6%
Residual Stock	21.1%
Investment	18.3%
Pre-Development	13.2%
Vacant Land	8.2%
Cash	2.6%



Security Property Type*

Residential	60.6%
Industrial	13.4%
Specialised Asset	8.8%
Office	6.7%
Vacant Land	4.6%
Retail	4.2%
Mixed Use	1.7%



Geographic Diversification*

VIC	54.3%
NSW	18.1%
QLD	13.8%
NZ	10.9%
ACT	1.4%
WA	1.2%
SA	0.3%

*Based on deployed funds only. Excludes any cash position of Fund (unless otherwise stated)

Manager Commentary

The lending environment is increasingly competitive; however, the Fund continues to secure interests in high-quality first mortgage loan exposures, supported by lower-cost and flexible institutional capital. The Manager is close to launching its fifth institutional funding line with a major Australian bank. This funding advantage continues to enable the Manager to remain competitive on pricing and other loan terms without compromising credit standards.

Increasingly, as a result of the competitive lending environment, new loans in the market continue to be written on terms with sharper pricing and higher LVRs (up to ~70%).

As part of our ongoing programme to increase disclosure to investors, we note that the average rate charged to borrowers under the loans by SPV Lenders was approx. 11.94% per annum.

Fund Commentary

During the month, the Fund increased its investment loan exposure by approximately 4% through the addition of an SPV Lender loan in Melbourne, Victoria. Look-through construction exposure fell by around 4%. This was driven by a 4.5% reduction in exposure to Pool Lender PFT3 (construction loans only), as that facility repaid some principal due to a large number of loan maturities. Also, the Fund's exposure to residual stock loans reduced by 1.4%, following the sale of two residential units, the proceeds of which were applied to partially repay the outstanding principal of the SPV Lender's loan.

As signalled in the previous monthly report, the Fund acquired new interests in a fourth Pool Lender, PFT5, amounting to approximated 3% of the portfolio. Majority funded by Morgan Stanley, PFT5 is a newly established institutional PFT Series lending vehicle (non-construction only) and is already funding 13 loans. Investments in Pool Lenders such as this provide the Fund with significant diversified institutional lending vehicle exposure, all governed by strict frameworks and eligibility standards aligned with the Manager's risk management approach.

Expected changes regarding the composition and participation levels of the underlying institutional financiers within PFTNZ may result in the Fund recalibrating its exposure levels to in this Pool Lender during coming months.

The Fund's holdings in SPV Lenders increased by one during November, while holdings in Pool Lenders PTF2 and the newly established PTF5 increased by approximately 2.5% and 3%, respectively. The Fund's percentage exposure to PTFNZ marginally decreased due to greater overall FUM, which diluted the proportional exposure to this Pool Lender. Construction exposure sits just below 40% following the reduction in interests held in PFT3 as mentioned above. Construction exposure is projected to remain around 40% of the portfolio through to the 2025 calendar year end and into early 2026. It is important to note however, that projected new loan settlement dates (especially construction loans) are subject to change as all requisite conditions precedent must be satisfied prior to any drawdown against that loan. Delays in loan settlements are more common over the festive break and through the New Year period.

Diversification

The Fund's exposure to QLD increased by around 3% reflecting an increased proportion of QLD loans in Pool Lender PFT3 and following the introduction of the PFT5 portfolio. Meanwhile, the Fund's exposure to VIC reduced by about 2% driven by a lower proportion of VIC loans within PTF3's portfolio. During November the overall residential loan exposure decreased by 7% to around 60% of the portfolio, largely due to the repayment of loans secured by residential properties in Pool Lender PTF3. Specialised asset allocations increased across Pool Lenders PTF2 and PTF3, driving a 4.3% increase in the Fund's overall look-through exposure to specialised assets.

Key Look-Through Risk Metrics

- The Fund's **weighted average loan-to-value ratio (LVR)** remains stable (<64%), reflecting the continued weighting toward Pool Lenders.
- The **weighted average term to maturity** increased marginally to 6.45 months, which continues to support asset-liability alignment and portfolio liquidity.
- The Fund now has look-through exposure to over **160 individual loans**, enhancing borrower and geographic diversification.

Performance and Outlook

The Fund continues to benefit from its strategic asset allocation — balancing pooled exposures with carefully selected single-asset investments. While investments in Pool Lenders typically yield slightly below bespoke SPV Lenders, the Trustee believes that they offer superior risk-adjusted returns due to enhanced diversification and additional independent oversight.

The month of November 2025 represented another strong month of new investor capital inflows.

The Manager remains confident in the Fund's ability to preserve capital and deliver returns at or above its net distribution target.[2]

Market Commentary

Australia

Given three Official Cash Rate (OCR) cuts totalling 75 basis points over 2025— with the most recent cut of 25 basis points on 12 August bringing the OCR to 3.60%— we have begun to see modest increases in residential transaction volumes, as anticipated, as improved sentiment translates into buyer activity. Demand for construction loan funding is continuing to increase in response to improved end-buyer sentiment, combined with lower-funding costs producing in more robust project feasibilities.

The commercial real estate sector remains broadly stable. The interest rate outlook in 2026 is unclear. It is possible that we will see further easing in monetary policy, which may drive cap rate compression and support asset value growth, particularly on higher-grade and predominantly leased commercial properties. However, this is not clear, and there is a chance the next movement in rates will be upwards.

New Zealand

New Zealand is experiencing challenges arising out their severe interest rate tightening cycle, followed by a rapid reduction in rates. In November, the Reserve Bank of New Zealand (RBNZ) delivered a further 25 basis point reduction in the Official Cash Rate (OCR) to 2.25%. This cut represents the ninth consecutive rate reduction from 5.50% in August 2024. This easing cycle is expected to improve commercial property valuations. (PSIF investments are not dependent on any such improvement, given its prudent LVRs in a performing portfolio of registered first mortgage loans). A recovery in private investment in commercial real estate is expected to emerge as lower interest rates support renewed confidence in the sector.

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Portfolio Analysis as at 30 November 2025

SPV Lender Portfolio	
Total Investment	40.1%
First Mortgage Loans	100%
Total Current Loans	17
Weighted Average Portfolio LVR	62.0%
Weighted Average Term to Maturity	6.28 (months)
Weighted Average Borrower Rate[9]	11.94%
Pool Lender Portfolio (Look through)	
Pallas Funding Trust No.2 (PFT2) (Pool Lender 1)	
Total Investment	19.5%
First Mortgage Loans	100%
Total Current Loans	64
Weighted Average Portfolio LVR	64.4%
Weighted Average Term to Maturity	6.56 (months)
Pallas Funding Trust No.3 (PFT3)(Pool Lender 2)	
Total Investment	24.1%
First Mortgage Loans	100%
Total Current Loans	11
Weighted Average Portfolio LVR	65.0%
Weighted Average Term to Maturity	5.93 (months)
Pallas NZ Funding Trust No.1 (PFTNZ) (Pool Lender 3)	
Total Investment	10.6%
First Mortgage Loans	100%
Total Current Loans	62
Weighted Average Portfolio LVR	65.0%
Weighted Average Term to Maturity	6.40 (months)
Pallas Funding Trust No.5 (PFT5)(Pool Lender 4)	
Total Investment	3.1%
First Mortgage Loans	100%
Total Current Loans	13
Weighted Average Portfolio LVR	65.8%
Weighted Average Term to Maturity	12.20 (months)

Top 5 Investments (Look-through)[1]

Investment Type	Location	Term to Maturity	LVR
Construction	VIC, AU	4 months	65.0%
Investment	Auckland, NZ	4 months	70.0%
Residual Stock	VIC, AU	5 months	70.0%
Investment	VIC, AU	9 months	70.0%
Investment	Otago, NZ	4 months	70.0%

NB. Please refer to the Pallas Senior Income Fund Information Memorandum for all terms and conditions.

FOOTNOTES:

1. On a look through basis, that is, total of Fund's investment holdings in SPV Lenders and the underlying loans held through Pool Lenders. Rounded to the nearest decimal place.
2. Actual results, future performance may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.
Past performance is no guarantee of future performance.
3. Represents the percentage of Fund Investments on a look through basis in monetary arrears by 90 days or more.
4. As at 1 November 2025, the RBA Cash Rate was 3.60%.
5. Subject to Fund cash and Trustee's sole discretion. No dollar value amount with respect to a distribution for a distribution period is guaranteed and no warranty (whether express or implied) in relation to the payment of any monthly cash income is provided.
6. Up to 5% Fund NAV. Redemption requests received within the calendar month will generally be processed, subject to other IM terms, within 10 business days after the end of the following month.
7. For persons located In Australia, a 'wholesale client' within the meaning of Section 761G of the Corporations Act 2001 (Cth.) (Act).
8. Annual Management Fee charged by Pallas Capital equal to 1.20% p.a. of the Fund NAV, paid monthly in arrears.
9. Weighted Average Borrower Rate is calculated by reference to the gross borrower rate for all SPV Lenders weighted based on the investment amount on the last day of the month. Construction loans are based on an effective rate calculation that incorporates the value of line fees (if applicable) over the course of the project.

About Pallas Capital

November 2025

About Pallas Capital

Pallas Capital is an institutionally-backed debt investment manager specialising in the finance of Australian, New Zealand and UK real estate. The business was established in response to a shortfall of competitive credit in the mid-range commercial lending market.

The participation of Pallas Capital has assisted private capital in accessing attractive returns relative to risk in an asset class that was previously not as widely accessible.

Pallas Capital has built a strong track record and investment book on behalf of its various lending vehicles since its inception in December 2016 and now has over 150 staff across its offices in Australia, New Zealand and the UK.

Since inception, lending vehicles managed by Pallas Capital have written over A$8.5 billion of total investments across more than 1,000 transactions. These transactions were supported by properties covering a wide range of real estate sectors (retail, commercial, residential, industrial and vacant land).

With a strong track record of capital preservation, Pallas Capital has closed transactions with a total value of approx. $5.1 billion, with no loss of principal or any shortfall in distributions/ interest paid to Pallas investors.

Pallas Capital is currently managing over 300 investments, with a total value over A$3.4 billion, all of which are currently expected to be completed without loss of principal or standard rate distributions and/or interest.

Who can Invest?

Pallas Capital products are only available to wholesale clients 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:

a. Net Assets in excess of $2.5 million, or
b. 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, New Zealand and United Kingdom Commercial Real Estate lending.

These include offers to invest in bespoke single asset loans, diversified loan fund opportunities and separate managed account strategies for wholesale and institutional investors, across the capital stack. These investments are supported by:

- Unlisted, diversified portfolios of Australian, NZ and UK real estate debt or preference equity products, with a range of liquidity and income investment parameters; and
- Single asset, Australian, NZ and UK commercial real estate finance structured as:
  - Registered first mortgages (secured against investment, specialised assets, land acquisition, pre-development, or construction);
  - Second mortgages (registered and unregistered); and
  - preferred equity.

Pallas House—Double Bay, NSW 2028 Australia

About Pallas Capital

November 2025

What are the Investment Terms & Liquidity Profiles?

Typically, investments with look-through exposure to senior or junior debt (loan) participations and/or preference equity investments vary between six months and three years in investment tenor.

Diversified Funds, unless otherwise specified, are open-ended in nature (and are subject to varying redemption notice periods and gating provisions). Liquidity profiles (fund withdrawal/ redemption mechanisms) vary between the Diversified Fund products; typically ranging from one month to 12 months' written notice.

By virtue of the asset class and the structure of these products, single asset investments are illiquid in nature and redemptions during the investment term are not guaranteed.

Do the Investment Products provide Income?

Generally, in relation to investments with look-through exposure to senior or junior debt (loan) participations, income (distributions or interest) is paid monthly or quarterly in arrears. In relation to preference equity investments, income is generally paid monthly or quarterly and/or upon final redemption.

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