



Pallas Senior Income Fund Australia

March Performance Report

For Period
1–31 March 2026

PSIF

Key Metrics as at 31 March 2026

8.82% ROLLING 12 MONTH RETURN ²	0.10% ROLLING 12 MONTH PERFORMANCE ABOVE TARGET ²
183 TOTAL LOOK-THROUGH INVESTMENTS ¹	0 DEFAULTED AND NON-PERFORMING LOANS ³
63.47% WEIGHTED AVERAGE LVR ¹	9.43 mths WEIGHTED AVERAGE TERM TO MATURITY ¹

Portfolio at a Glance

Fund Net Asset Value (NAV)	\$177,336,957
First Mortgage Exposure	100%
Number of SPV Lender Investments	16
Number of Pool Lender Investments	5
Number of Borrower Entities ¹	175
New / Exited Investments ¹	17 / 10
Investment Protection Mechanism	Yes
Weighted Average Borrower Rate ⁹	10.87%
Weighted Average Income Rate ¹⁰	10.64%

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
Management Expense Ratio (MER) ⁸	120 basis points
Performance Fee	NIL (not applicable)
Independent Custodian	BNY Mellon
Auditor	Ernst & Young
APIR Code	PCF6645AU

Investment Features

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

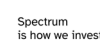
Investment Objective

The Fund continues to support capital preservation and periodic income objectives by deploying capital into mid-market senior debt opportunities with a focus on metropolitan locations. The investment strategy requires clear and achievable exit strategies and sound sponsor counterparties for each underlying loan.

Research Ratings



Platform Availability





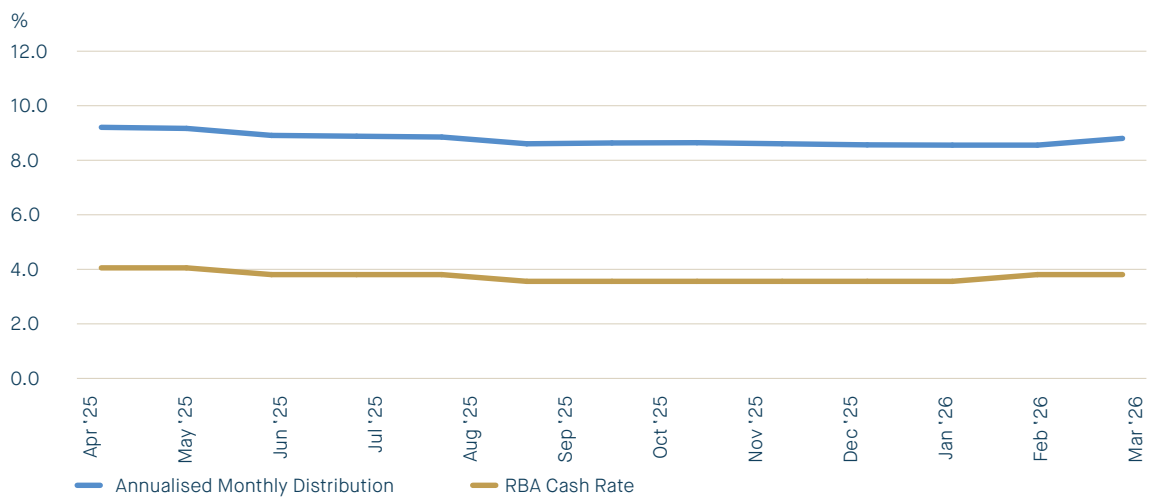
Pallas Senior Income Fund Australia

March Performance Report

Performance at a Glance

	Current Month	Last 3 Months	Last 12 Months	Since Inception
Net Distribution (p.a.)	8.90%	8.74%	8.82%	9.12%
Average Net Distribution (cents per unit)	0.76	0.72	0.74	0.81
Performance Above Target ²	0.05%	0.05%	0.10%	0.29%

Distribution History



Manager Commentary

The lending environment is increasingly competitive; however, the Fund continues to secure interests in high-quality first mortgage loan exposures. In achieving this, the Manager is supported by lower-cost and flexible institutional capital. This funding advantage continues to enable the Manager to remain competitive on pricing and other loan terms without compromising credit standards.

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%).

Fund Commentary

The Fund's investments in SPV Lenders increased by one during March, following a new allocation to a recently settled vacant land loan in New South Wales, Australia. This vacant land opportunity supports the acquisition of rural properties to establish long term carbon sequestration projects under the Australian Government's Australian Carbon Credit Unit ("ACCU") scheme. As a result of this investment, the Fund's vacant land exposure increased by approximately 3%.

Construction exposure declined by around 4% to approximately 42%, following a partial divestment of the Fund's position in an SPV Lender construction loan in New South Wales. This divestment was undertaken to release capital to support the Fund's investment in the new Vacant Land SPV Lender loan, while also aligning with the Fund's broader diversification strategy to rebalance maximum single exposure concentration amongst SPV Lenders.



Pallas Senior Income Fund Australia

March Performance Report

Last month, the Fund acquired new interests in a fifth Pool Lender, PFT6, which now represents approximately 12% of the portfolio. PFT6 is a recently established institutional PFT series, which is majority funded by an Australian Bank. It continued to actively deploy capital throughout March and has now written over 30 loans. As PFT6's portfolio has continued to develop, the composition of its underlying assets has evolved accordingly. As a result, the Fund's look-through exposure to Pre-Development loans increased by approximately 5% over the month, driven by both the higher proportion of Pre-Development loans within PFT6 and an increased allocation to a Pre-Development loan through an SPV Lender (the new vacant land aforementioned) in New South Wales.

Last month, the Fund divested a portion of its position in Pool Lender PFT2, which now accounts for around 9% of the portfolio. There remains flexibility to re-acquire this position in the future as required. The Fund's holdings in all Pool Lenders remained stable throughout the month of March, with the slight decrease in percentage exposure reflecting growth in overall FUM. As at month-end, allocations to Pool Lenders continued to account for approximately 50% of the portfolio. The Manager continues to view investments in Institutional Pool Lenders as an attractive, risk-adjusted allocation, as they provide exposure to portfolios of seasoned loan receivables, additional independence oversight, diversified institutional lending vehicles, governed by strict frameworks and eligibility standards aligned with the Manager's risk management approach.

NB. The Fund's holding in the PFT6 may be reduced next quarter owing to the possibility of an institution acquiring mezzanine notes issued by this fund. Given this, the Manager is exploring the Fund increasing exposures to its existing institutionally-funded Pool Lenders. Furthermore, the Manager is finalising another institutional PFT mandate, that upon launch in Q2 2026, will provide the Fund with a longer-term investment holding opportunity. Income from the Fund's approximately 8% allocation to PFTNZ continues to be impacted by recent OCR cuts in New Zealand, weighing on returns. Given this, as previously noted, the Manager is considering recalibration options with respect to New Zealand allocations over Q2 2026.

Diversification

The Fund's geographical exposure remained broadly stable throughout the month, with New South Wales, Victoria, and Queensland comprising approximately 47%, 29% and 12% of the portfolio, respectively. New Zealand continued to represent around 8% of total exposure, reflecting the Fund's ongoing investment in Pool Lender PFTNZ.

Over the month, exposure to residential security properties declined by approximately 3% to around 60%, primarily due to the partial divestment of the SPV Lender Construction loan noted above. In contrast, exposure to vacant land increased by approximately 3% to around 10%, driven by the Fund's investment in a new Vacant Land SPV Lender loan.

Key Look-Through Risk Metrics

- The Fund's **weighted average loan-to-value ratio (LVR)** remains stable (<64%), largely reflecting the continued weighting toward Pool Lenders.
- The weighted **average term to maturity** remained around 10 months, largely reflecting the longer weighed average term within PFT3 as new construction loans were written and the newly established Pool Lender PFT6 as it settles new loans and permits longer investment loan tenors in certain instances.
- The Fund has look-through exposure to over **180 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 investments in bespoke SPV Lenders, the Trustee believes that they offer attractive risk-adjusted returns due to enhanced diversification and additional independent oversight.

The month of March 2026 represented another strong month of 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



Pallas Senior Income Fund Australia

March Performance Report

Market Commentary

Australia

Following the OCR increase in February, the RBA again chose to increase the OCR by 25 basis points to 4.10% at its March meeting. This is anticipated to flow through to inflation and impact economic growth. Market sentiment at the end of March was that the RBA would increase the OCR another 25 basis points at the next meeting early May. The RBA will have the benefit of updated inflation figures, with the March Consumer Price Index data due 29 April, however the next release of GDP data is not until June.

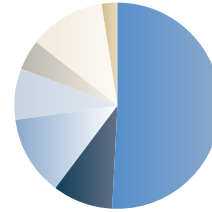
The construction industry is susceptible to increased oil prices, as higher fuel freight and energy costs feed into broader construction cost pressures. In light of the Middle East conflict, the Manager has instructed its Construction Risk team to undertake a full review of all construction loans on the Manager's book, in what will be the beginning of a heightened reporting and monitoring period for all active projects. The Manager's construction loan book has factors mitigating the impact of construction cost pressures, for further information please see the Construction Portfolio update article within the News & Insights section of the Manager's website (pallascapital.com.au/news-insights).

Notwithstanding the increasing interest rate environment, real estate prices have remained broadly stable, since the start of 2026. The residential market continues to benefit from long term underlying drivers such as population and wage growth, evidenced by modest increases in transaction volumes. The hoped-for compression in commercial property capitalisation rates is now on hold pending clarity as to future interest rate movements.

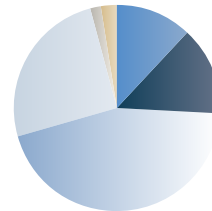
New Zealand

New Zealand is experiencing challenges arising out their severe interest rate tightening cycle, followed by a rapid reduction in rates. After delivering 75 basis points reduction in the NZ OCR, the Reserve Bank of New Zealand (RBNZ) during the 8 April meeting, decided to hold the cash rate at 2.25%. This was in light of the conflict in the Middle East, and the impact of related inflation on economic growth. The RBNZ remains focused on returning inflation to target, with future policy decisions driven by the extent to which short-term inflation pressures persist into the medium term. Most of the major banks now anticipate the RBNZ is at the end of this easing cycle.

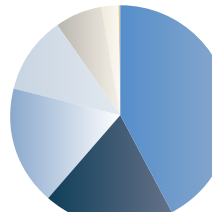
Portfolio Analysis¹



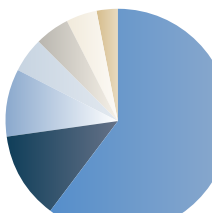
Portfolio Composition	
SPV Lenders	51.0%
Pool Lender 1	9.3%
Pool Lender 2	12.5%
Pool Lender 3	8.2%
Pool Lender 4	4.7%
Pool Lender 5	11.8%
Cash	2.4%



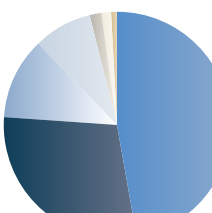
Term to Maturity*	
<3 months	12.3%
3-6 months	14.2%
6-12 months	45.9%
12-24 months	25.9%
> 24 months	1.8%



Portfolio Diversification	
Construction	42.2%
Pre-Development	19.3%
Investment	17.5%
Vacant Land	11.2%
Residual Stock	7.1%
Cash	2.4%
Sub Divided Land Lots	0.2%



Security Property Type*	
Residential	60.4%
Industrial	12.5%
Vacant Land	9.7%
Retail	5.1%
Mixed use Asset	5.0%
Office	4.5%
Specialised Asset	2.8%



Geographic Diversification*	
NSW	47.3%
VIC	29.0%
QLD	11.6%
NZ	8.5%
WA	1.7%
SA	1.3%
ACT	0.7%

¹Based on deployed funds only. Excludes any cash position of Fund (unless otherwise stated)



Pallas Senior Income Fund Australia

March Performance Report

Top 5 Investments (Look-through)¹

Investment Type	Location	Term to Maturity	LVR	Fund Exposure (\$)
Construction	NSW	9 months	62.4%	\$26,283,770
Construction	NSW	7 months	65.0%	\$13,453,556
Vacant Land	NSW	12 months	60.0%	\$8,010,000
Pre-Development	NSW	16 months	57.5%	\$7,300,000
Investment	VIC	19 months	50.9%	\$7,000,000

Portfolio Analysis as at 31 March 2026

SPV Lender Portfolio

Total Investment Allocation	\$90,368,266
Total Current Loans	16
Weighted Average Portfolio LVR	61.2%
Weighted Average Term to Maturity	9.58 (months)
Weighted Average Borrower Rate ⁹	11.88%

Pool Lender Portfolio (Look through)

Total Investment Allocation	\$82,663,527
Total Current Loans	164
Weighted Average Portfolio LVR	66.0%
Weighted Average Term to Maturity	9.26 (months)
Weighted Average Borrower Rate ⁹	9.76%

Pallas Funding Trust No.2 (PFT2) (Pool Lender 1)

Total Investment Allocation	\$16,550,000
Total Current Loans	42
Weighted Average Portfolio LVR	64.8%
Weighted Average Term to Maturity	5.66 (months)

Pallas Funding Trust No.3 (PFT3)(Pool Lender 2)

Total Investment Allocation	\$22,205,000
Total Current Loans	13
Weighted Average Portfolio LVR	66.5%
Weighted Average Term to Maturity	10.14 (months)

Pallas NZ Funding Trust No.1 (PFTNZ) (Pool Lender 3)

Total Investment Allocation	\$14,628,527
Total Current Loans	57
Weighted Average Portfolio LVR	65.2%
Weighted Average Term to Maturity	6.14 (months)

Pallas Funding Trust No.5 (PFT5)(Pool Lender 4)

Total Investment Allocation	\$8,280,000
Total Current Loans	19
Weighted Average Portfolio LVR	66.4%
Weighted Average Term to Maturity	9.81 (months)

Pallas Funding Trust No.6 (PFT6)(Pool Lender 5)

Total Investment Allocation	\$21,000,000
Total Current Loans	33
Weighted Average Portfolio LVR	66.8%
Weighted Average Term to Maturity	13.12 (months)

NB. Please refer to the Pallas Senior Income Fund Information Memorandum dated 15 December 2025 for further terms and conditions.



Pallas Senior Income Fund Australia

March Performance Report

FOOTNOTES:

1. On a look-through basis, that is, total of the Fund's investment holdings in SPV Lenders and its pro-rata share of 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. Defaulted and Non-Performing loans include loans, on a look-through basis, that are 90+ days past due, or there is a breach of material loan covenants and/or material conditions. This test is adapted from the APS 220 Credit Risk Management framework.
4. As at 1 March 2026, the RBA Cash Rate was 3.85%.
5. Subject to Fund liquidity and Trustee's sole discretion. No dollar 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 is equal to 1.20% p.a. of the Fund NAV, paid monthly in arrears.
9. Weighted Average Borrower Rate is calculated by reference to total gross borrower rate for all relevant loan/s (made by SPV Lenders and/or Pool Lenders), weighted based on the investment amount of the Fund 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. NB. In respect of investments by PSIF into Pool Lenders, the Fund receives the agreed rate on the note issued by the Pool Lender held by the Fund (given the securitised structure) and not the respective borrower rates of all loans within these portfolios of loan receivables.
10. Weighted Average Income Rate refers to the annualised rate derived from the total income received by the Fund over the period. Total income includes interest payment receipts and distributions received from its investments in SPV Lenders and Pool Lenders, as well as bank interest earned on any cash holdings during the period. In respect of investments by PSIF into Pool Lenders, the Fund receives the agreed rate on the note issued by the Pool Lender held by the Fund and not the underlying borrower rates paid on loans within these portfolios of loan receivables. NB. for the Fund's holdings in PFTNZ, being an institutionally funded NZ domiciled Pool Lender, an estimated FX exchange rate is used to determine the Fund's income for the period owing to differences of the timing of receipt payments. Total income is then expressed as an annualised rate relative to the average FUM for the period.

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About Pallas Capital

March 2026

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Pallas Capital is an institutionally-backed debt investment manager specialising in the finance of Australian, New Zealand and UK real estate.

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 250 staff across its offices in Australia, New Zealand and the UK.

Since inception, lending vehicles managed by Pallas Capital have written over A\$9.7 billion of total investments across more than 1,100 transactions. These transactions were supported by properties covering a wide range of real estate sectors (including retail, commercial, residential, industrial and vacant land).

With a strong track record of capital preservation, Pallas Capital has closed transactions with a total value over \$5.7 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\$3.9 billion, all of which are currently expected to be completed without loss of investor 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 (**CRE**) 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:

- a) 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
- b) single asset, Australian, NZ and UK commercial real estate finance structured as:
 - registered first mortgages;
 - second mortgages (registered and unregistered); and
 - preferred equity.

Enquires

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