Pallas Senior Income Fund

Performance Report – July 2026

For Period 1–31 July 2026

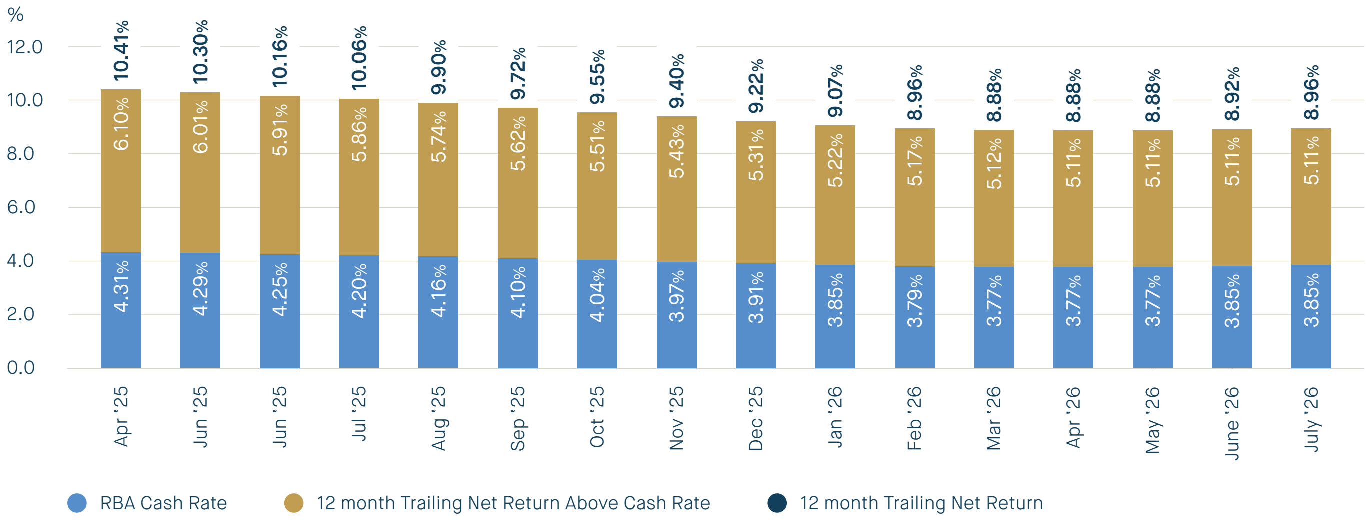
PSIF

Key Metrics as at 31 July 2026

Current Month Annualised Net Return[2]	9.40% p.a.
Rolling 12 Month Return[2]	8.96% p.a.
Total Look-through Investments[1]	242
Weighted average LVR[1]	64.70% LVR
Weighted Average Term to Maturity[1]	8.72 months
Defaulted and Non-Performing Loans[3]	0

PALLAS CAPITAL

Distribution History – 12 Month Trailing Net Return



Performance at a Glance[2]

	1mth	3mths	6mths	12mths	Incep.
Net return (% p.a.)	9.40%	9.41%	9.17%	8.96%	9.61%
Target return (% p.a.)	9.35%	9.27%	9.06%	8.85%	9.06%
Perf. over target (% p.a.)	0.05%	0.15%	0.11%	0.11%	0.55%
Avg. Monthly Net return (CPU)	0.80	0.79	0.76	0.75	0.80
Spread to Cash Rate (% p.a.)	5.05%	5.15%	5.11%	5.11%	5.55%
RBA Cash Rate	4.35%	4.27%	4.06%	3.85%	4.06%

Performance and Outlook

The Fund continues to benefit from its strategic asset allocation – balancing pooled exposures with select 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 July 2026 represented another strong month of investor capital inflows.

Increases to New Zealand secured loans are anticipated in the near term. The Fund has not increased its allocation to this jurisdiction since April 2025. The Fund has grown substantially over FY26, and its allocation to New Zealand has been diluted each month, as a proportion of the portfolio. The Fund's current exposure to the New Zealand market is through PFTNZ, an institutionally funded Pool Lender backed by Westpac NZ, and comprises a seasoned book of non-construction loan receivables only.

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

Top 5 Investments (Look-through)[1]

Investment Type	Location	Term to Maturity	LVR	Fund Exposure ($)
Construction	NSW	5 months	62.4%	$28,967,589
Construction	NSW	3 months	65.0%	$22,113,282
Vacant Land	NSW	7 months	60.0%	$12,500,000
Construction	VIC	2 months	65.0%	$9,972,965
Construction	QLD	17 months	69.5%	$6,728,876

Month End Summary

Fund Net Asset Value (NAV)	$219,066,529
Weighted Average LVR[1]	64.70%
Weighted Average Term to Maturity[1]	8.72 mths
Number of SPV Lender Investments	19
Number of Pool Lender Investments	5
Number of Borrower Entities[1]	216
New / Exited Investments[1]	29 / 10
Weighted Average Borrower Rate[9]	10.89%
Weighted Average Income Rate[10]	11.18%

Diversification

The Fund's exposure to New South Wales increased by approximately 2.3% during the month. This increase was primarily driven by a higher concentration of New South Wales loans within Pool Lender PFT2, together with increased exposure arising from the construction and agricultural SPV Lender loans noted below.

Exposure to Western Australia decreased by approximately 2.2%, reflecting a reduction in Western Australian loans within the underlying portfolio of Pool Lender PFT6.

The proportion of loans secured by residential properties increased by approximately 2.4% over the month. This increase was driven by underlying portfolio changes within Pool Lender PFT2, together with additional residential exposure generated through the SPV portfolio, including the new Queensland investment loan and various construction loan drawdowns across existing investments.

Office exposure decreased by approximately 2.4%, primarily reflecting changes within the underlying loan portfolios of Pool Lender PFT2 and Pool Lender PFTNZ.

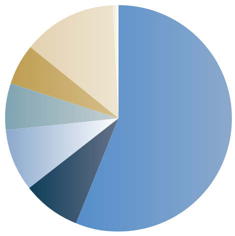
In terms of the Fund’s SPV Lender portfolio of investments, whilst larger concentrations to two construction SPV Lenders subsist, which are to different borrowers/sponsors (~11% and 13% of the Fund, respectively), these projects are well progressed at more than 60% and 80% complete per construction contract sum. It is important to distinguish between different types and stages of construction risk. A project in the final fit-out phase with substantial progress completed presents a very different risk profile to a project in the early excavation stage, where uncertainty around ground conditions and construction costs are at their highest.

Key Look-Through Risk Metrics

- The Fund’s **weighted average loan-to-value ratio (LVR)** remains stable (<65%), largely reflecting the continued weighting toward Pool Lenders.
- The weighted **average term to maturity** of the Fund is c.9 months, largely reflecting the longer weighted average term within Pool Lenders PFT3 and PFT6.
- The Fund has look-through exposure to **236 individual loans**, enhancing borrower, loan type and geographic diversification outcomes for investors.

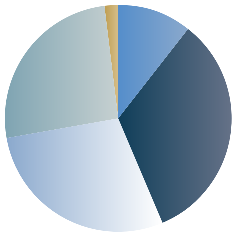
Portfolio Analysis[1]

Portfolio Composition



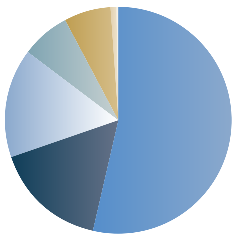
SPV Lenders	56.4%
Pool Lender 1	8.2%
Pool Lender 2	8.9%
Pool Lender 3	6.7%
Pool Lender 4	5.8%
Pool Lender 5	13.3%
Cash	0.8%

Term to Maturity*



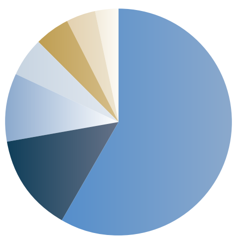
<3 months	10.8%
3–6 months	33.0%
6–12 months	28.5%
12–24 months	25.8%
> 24 months	1.9%

Portfolio Diversification



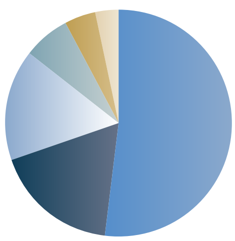
Construction	53.6%
Investment	16.3%
Pre-Development	15.3%
Vacant Land	7.0%
Residual Stock	6.7%
Cash	0.8%
Sub Divided Land Lots	0.2%

Security Property Type*



Residential	58.4%
Industrial	14.1%
Vacant Land	9.6%
Office	5.7%
Mixed use Asset	5.0%
Retail	4.2%
Specialised Asset	3.1%

Geographic Diversification*



NSW	52.1%
VIC	17.7%
QLD	15.7%
NZ	6.7%
SA	4.5%
WA	3.2%

Portfolio Analysis as at 31 July 2026

Total PSIF Portfolio	
Total Investment Allocation	$217,332,361
Number of SPV Lender Investments	19
Number of Pool Lender Investments	5
Number of Borrower Entities[1]	216
New / Exited Investments[1]	29 / 10
Weighted Average Borrower Rate[9]	10.89%
Weighted Average Income Rate[10]	11.18%
SPV Lender Portfolio	
Total Investment Allocation	$123,473,388
Total Current Loans	16
Weighted Average Portfolio LVR	64.9%
Weighted Average Term to Maturity	7.74 (months)
Weighted Average Borrower Rate[9]	11.59%
Pool Lender Portfolio (Look through)	
Total Investment Allocation	$93,858,973
Total Current Loans	220
Weighted Average Portfolio LVR	64.4%
Weighted Average Term to Maturity	10.02 (months)
Weighted Average Borrower Rate[9]	9.96%
Pallas Funding Trust No.2 (PFT2) (Pool Lender 1)	
Total Investment Allocation	$17,972,941
Total Current Loans	14
Weighted Average Portfolio LVR	61.7%
Weighted Average Term to Maturity	9.43 (months)
Pallas Funding Trust No.3 (PFT3) (Pool Lender 2)	
Total Investment Allocation	$19,422,500
Total Current Loans	16
Weighted Average Portfolio LVR	67.4%
Weighted Average Term to Maturity	9.09 (months)

Pallas NZ Funding Trust No.1 (PFTNZ) (Pool Lender 3)	
Total Investment Allocation	$14,628,527
Total Current Loans	56
Weighted Average Portfolio LVR	59.0%
Weighted Average Term to Maturity	8.38 (months)
Pallas Funding Trust No.5 (PFT5) (Pool Lender 4)	
Total Investment Allocation	$12,680,000
Total Current Loans	17
Weighted Average Portfolio LVR	64.6%
Weighted Average Term to Maturity	9.58 (months)
Pallas Funding Trust No.6 (PFT6) (Pool Lender 5)	
Total Investment Allocation	$29,155,005
Total Current Loans	117
Weighted Average Portfolio LVR	66.7%
Weighted Average Term to Maturity	12.00 (months)

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%). This was observed throughout FY26.

Fund Commentary

During the month, the Fund increased its exposure to construction loans by approximately 3.7% to close at 53.6% of the portfolio as at 31 July 2026. This increase was driven by the Fund investing further in a new SPV Lender construction loan (which it previously had exposure to), together with the subscription of further interests in existing construction exposures given construction drawdowns across a number of existing SPV Lender investments. The Fund's weighted average construction loan term of approximately 7.5 months continues to reflect a portfolio of projects that are generally well progressed through established construction programmes.

Pre-development exposure decreased by approximately 2.7% during the month, primarily reflecting the discharge of a SPV Lender pre-development loan following repayment of the underlying facility.

The Fund also invested in a new SPV Lender investment loan secured against a residential property in Queensland. The investment further diversified the Fund's SPV portfolio and increased exposure to residential security assets.

In addition, the Fund increased its investment in an existing agricultural loan. The loan is secured against four rural properties located across New South Wales, which either have established Australian Carbon Credit Unit ("ACCU") projects or a pathway to establishing ACCU projects.

Allocations to Pool Lenders remained broadly stable over the month, with the Fund's total institutional Pool Lender allocation representing around 43% at month end. 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 independent oversight, diversified institutional lending vehicles, governed by strict frameworks and eligibility standards aligned with the Manager's risk management approach.

The Manager expects to be able to announce further institutional PFT mandates in the first half of FY27. It is anticipated that further Pool Lenders will provide the Fund with a longer-term investment holding opportunities.

Market Commentary

Australia

The Reserve Bank of Australia (RBA) held the Official Cash Rate (OCR) at 4.35% at the August meeting. The RBA was unanimous in their decision, while inflation remains above the 2.5% target, second quarter inflation data came in under the RBA modelling. RBA is currently forecasting that inflation will be at the 2.5% target by late 2027. The next RBA rate decision is 15 September 2026, and market expectation is for OCR to be held at 4.35% however, any further inflation statistics that differ from anticipated levels prior to the meeting may weigh on the RBA Board's decision making with respect to further OCR increases.

As a result of the increasing interest rate environment and the 2026 Australian Federal Budget, the Australian real estate market has stalled in recent months. Median house prices across Melbourne and Sydney have seen declines from highs earlier in the year, while the Brisbane and Adelaide markets have seen their first month-on-month decline of this cycle during July. The residential market continues to benefit from long term underlying drivers such as population and wage growth.

New Zealand

The Reserve Bank of New Zealand (RBNZ) marked the end of its easing cycle during the July meeting, raising the NZ OCR 25 basis points, to 2.50%. The RBNZ had held rates at 2.25% for the four previous meetings, but medium term inflation risks due geopolitical events caused the RBNZ to act. While future policy decisions will be driven by inflation and economic activity data, the RBNZ expects further rate rises will be required to manage medium term inflation pressures. The next RBNZ monetary policy decision date is 2 September 2026.

About Pallas Senior Income Fund

Investment Highlights

Daily Applications | Monthly cash income[5] | 100% First Mortgages*

Investment Objective

The Fund aims to provide investors with attractive risk-adjusted cash returns, supported by investments with an exposure to single assets and/or diversified portfolio(s) of registered first mortgage debt investments to the private Australian and New Zealand commercial real estate debt markets.

Fund Terms

Investor Type[7]	Wholesale investors only
Manager	Pallas Capital Pty Limited
Net Target Return[2,4]	RBA Cash Rate + 5.0% p.a., net of fees
Distributions[5]	Monthly
Min. Application	$50,000 (Daily priced)
Redemptions[6]	Monthly
Management Fee[8]	120 basis points
Performance Fee	NIL (zero)
Independent Custodian	BNY Mellon
Auditor	Ernst & Young
APIR Code	PCF6645AU
Investment Protection Mechanism	Yes

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

Manager Highlights

$11.1b+
Total investments managed since inception 2016

$4.75b+
Open Investments across 415+ transactions

$1.8b+
Institutional discretionary capital under management**

Ratings***

High Investment Grade SQM Research

BondAdviser Approved

Platform Availability

BT Panorama, HUB24, Mason Stevens, netwealth, Powerwrap, præmium, Spectrum is how we invest

Portfolio Parameters

Risk Appetite	100% registered first mortgages*
Limits	New Zealand assets ≤25% Land/Pre-Development ≤50% Construction ≤60%
Max. single (SPV Lender) exposure	$30 million
Portfolio weighted average LVR limit	66%

* The Fund is not the lender of record. Eligible Fund Investments and may take the form of taking up ordinary or preference units, shares, loan notes and/or other instruments in or issued by the relevant vehicle; in all instances the underlying look-through securities types permitted are registered first mortgage loan receivables only.

** Includes Facility Limits, where applicable.

*** The SQM rating indicated in this brochure is issued by SQM Research Pty Ltd ABN93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the information memorandum and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

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Mark Spring
Executive Director

Craig Bannister
Executive Director – Distribution

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. Since Fund inception to end FY26, historical return figures were calculated on a weighted average Fund NAV basis. From FY27 onwards, historical performance is calculated on a simple average basis, which more accurately reflects an individual unitholder's return on investment in the Fund.
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 July 2026, the RBA Cash Rate was 4.35%.
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 Fund NAV for the period.