Important disclosures are provided in the appendix of this report.

Fund Research

MA Priority Income Fund



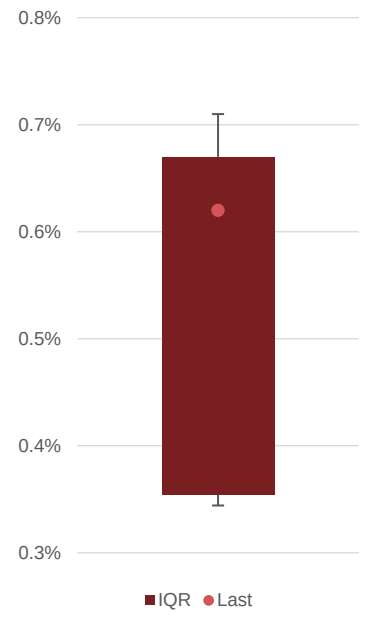
Overview

The MA Priority Income Fund (MAPIF, or the 'Fund') is an open-ended, unlisted unit trust designed to offer both retail and wholesale investors a stable, monthly income. This is achieved by investing in Class A Units of the MA Master Credit Trust ('the Master Trust') which in turn targets a broad spectrum of credit market segments, with a focus on Australian private credit. The Fund aims to distribute a net cash yield (after all fees and costs) equal to the RBA Cash Rate plus 4.00% per annum (Target Return).

MAPIF invests in Class A units of the Master Trust, which provides exposure to a range of secured and asset backed credit investments across commercial, consumer and real estate market segments. This encompasses a range of investments such as trade and debtor finance, legal disbursement funding, fleet and auto finance, insurance premium funding, personal loans, strata finance, corporate debt facilities, residential and commercial real estate lending, and more recently, increased exposure to direct lending.

Established by MA Investment Management Pty Ltd ('the Manager') in 2018, $3.0 billion is invested across the Master Trust as of 31 October 2025. Of this, ~$225 million represents a co-investment by MA Financial Group (ASX: MAF) through Class B units, equivalent to 10% of the Fund's (Class A Units) capital. This co-investment feature serves as a key characteristic of the Fund, offering a loss absorption mechanism for investors. In this structure, any losses incurred at the portfolio level are initially absorbed by the Manager's co-investment, providing additional security for Class A investors.

Figure 1. Monthly Returns Box Plot



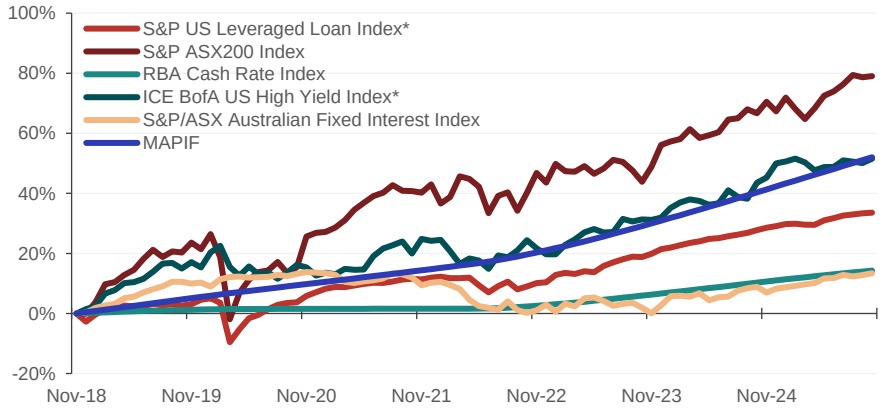
Source: BondAdviser, MA. As at 31 October 2025 Monthly investment return net of fees and operating expenses since inception.

Figure 2. Monthly Net Returns* (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	0.71	0.63	0.69	0.67	0.68	0.65	0.67	0.65	0.62	0.65			6.82
2024	0.71	0.66	0.71	0.68	0.71	0.68	0.71	0.71	0.69	0.71	0.69	0.71	8.70
2023	0.60	0.56	0.64	0.62	0.67	0.66	0.69	0.69	0.66	0.69	0.68	0.71	8.16
2022	0.34	0.34	0.35	0.35	0.37	0.39	0.45	0.50	0.52	0.56	0.56	0.60	5.46
2021	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	4.18
2020	0.40	0.40	0.37	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.34	0.34	4.41
2019	0.42	0.42	0.42	0.42	0.42	0.44	0.42	0.42	0.42	0.40	0.40	0.40	5.08
2018												0.42	0.42

*Source: BondAdviser, MA. As at 31 October 2025. ***YTD return assumes monthly reinvested distributions**.*

Figure 3. Relative Cumulative Performance



*Source: BondAdviser, MA, Bloomberg. As at 31 October 2025. *AUD hedged.*
** Calculated from cumulative net monthly investor distributions of the Fund.*

Product Assessment

Highly Recommended

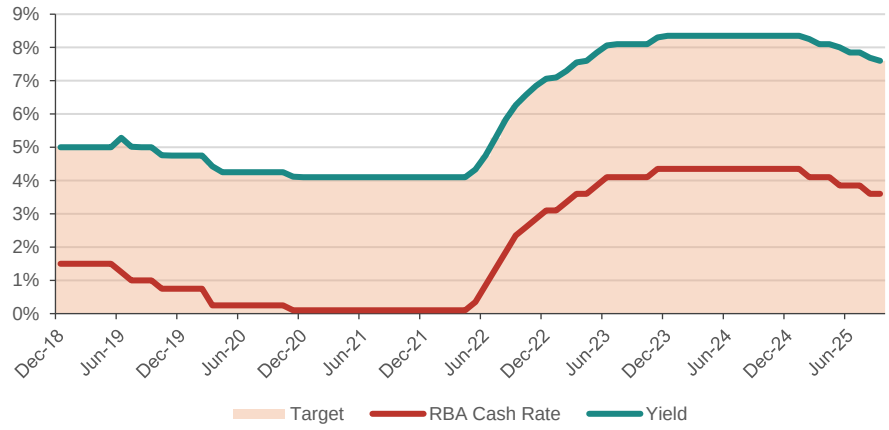
The **MA Priority Income Fund (MAPIF)** is a flagship credit strategy of **MA Financial (ASX: MAF).** The Fund invests in the Class A units of the Master Credit Trust (MCT), a $2.8 billion investment vehicle that comprises a portfolio of curated credit assets that are selected, structured and managed by MAF, tilted to investments predominantly originated by MAF. The MAPIF has scaled significantly since inception in November 2018, having grown to $2.2 billion across 94 investment positions as of 30 September 2025. The remainder of MCT comprises $225 million of Class B units held on balance sheet by MAF and $350 million Class C units held by the MA Credit Income Trust (ASX: MA1).

MAPIF benefits from first-loss capital provided by MAF. We view this as an important feature of the Fund which strategically aligns the interests of investors with the Manager.

MAPIF's unique strength is its generous credit enhancement whereby the Class B units represent first-loss capital for MAPIF investors. This represents 10% ($225mn) of the Class A units and is required to grow proportionately with the size of MAPIF through co-investment. MAPIF therefore ranks first in the priority of payments (after a 0.50% per annum management fee charged at MCT) with MAF receiving any excess spread once the target return of RBA Cash Rate +4.00% is met. Conversely, any impairments equal up to 10% of MAPIF are borne by MAF as Class B unitholders before MAPIF capital is at risk. The combination of excess spread (1.91% in 1H25) and first loss capital (10%) results in significant protection for investors to absorb any losses arising from the underlying portfolio.

The co-investment mechanism described provides a strong alignment of interest between the Manager and investors, particularly given the relatively significant size of the Class B investment for MAF. This Class B investment reflects precisely 54% of MA Financial Group's balance sheet equity and close to 4x FY24 (31-Dec-24) Group earnings. As a result, risk management is imperative to ensure that no capital is lost throughout the credit cycle for investors as well as the Manager. The Manager's unblemished track record of meeting MAPIF's target return since inception with no impairments to the Capital Buffer is reflective of its disciplined investment approach and robust credit selection process.

Figure 4. Annualised Distribution to Target



Source: BondAdviser, MA. As at 30 September 2025.

Direct lending has become a greater focus of the underlying portfolio. We believe this reflects the scale of MCT and the ability to select across a wider opportunity set of credit assets.

The risk profile of the underlying portfolio held by MCT remains robust with 99.1% of positions being classified as performing with neutral risks by the Manager with none in workout or enforcement. Of note, the investment strategy has expanded progressively into direct lending to domestic middle-market corporates (15.6% of total exposure as of

30 September 2025) with MCT carving out a refined target 0-40% allocation for this asset type in July 2025. We view this as natural evolution of the MCT given its scale and note that all of MCT's direct lending assets are senior secured positions. We note a further 2.4% allocation to subordinated exposures is classified as direct lending under MCT's reporting suite, but this represents relatively lower risk Tier 2 fixed income securities from domestic banks and insurers.

In our last review September 2024, we upgraded our Product Assessment of the MAPIF to **Highly Recommended.** This is underpinned by our view that the Fund meets best-in-class criteria for processes and policies, including the introduction of independent third-party oversight in relation to internally assigned credit ratings and verification of carrying values. We view this as particularly important for direct lending assets which can be subject to less uniform rating criteria relative to asset-backed lending assets.

MAF has further enhanced its governance processes and policies to the benefit for MAPIF investors. This gives us confidence that the Fund reflects best-in-class features.

Further internal governance refinements are expected to be implemented by MAF in the near term. This includes the establishment of an internal Conflicts Committee to review certain inter-fund or related party transactions and implementing periodic external reviews of the Manager's related party transaction policies and procedures. While we acknowledge that the Responsible Entity (MAAM RE Ltd) is a wholly owned subsidiary of MAF which introduces conflicts of interest in terms of NAV valuation, we believe this is mitigated by an independent third party reviewing carrying values of assets on an ongoing basis. Additional independent non-executive representation is also being considered for the MAF Investment Committee (beyond two members currently, equivalent to 25% representation).

In this context, our underlying comfort in the strategy remains strong and has strengthened over six years of continuous research coverage. With MCT currently yielding ~8.7% as of September 2025, we also expect MAPIF to deliver on its target return (7.60% per annum based on the current cash rate). While unexpected adverse credit conditions could derail this projection, our *Quantitative Analysis* demonstrates that the underlying portfolio benefits from the strong protective features described. For these reasons, we affirm our Product Assessment at **Highly Recommended.**

Across each year of coverage, our APAC distressed scenario analysis has produced simulations with no capital losses, albeit showing the potential for some deferred income each year, albeit noting any excess spread would be redirected to Class A Unitholders in the event income is insufficient to meet the target return. As a result, we consider the 10% hard credit enhancement to provide a significant uplift to the credit profile of the underlying asset exposure. In combination with the addition of independent third-party oversight in terms of valuation, we have stronger conviction in our Risk Score of MAPIF and therefore upgrade our Risk Score to **Lower Medium**.

Construction and Investment Process

In July 2025, MAAM RE Ltd (the responsible entity) was notified of changes to the MA Master Credit Trust investment guidelines. Effective 1 August 2025, the Responsible Entity updated the Product Disclosure Statement (PDS) and investment mandate for the MCT.

The changes introduced adjustments to position exposures and portfolio parameters, particularly in terms of scope and granularity. This includes limits on borrower group exposures and top aggregate positions as well as introductions to restricting international investing. Direct lending has also been carved out into its own portfolio parameter allocation range which has historically been a smaller focus of MCT.

Regarding position exposure, the Investment Committee (IC) may amend the concentration limits by +/- 2.50% in the ordinary course of MCT and up to 5% in extraordinary circumstances where determined in the best interests of unitholders. Further, the IC may determine that MCT can make an investment above the concentration limits where syndication will occur in a short period of time and where the ultimate holding position of the MCT is within the concentration limits identified post sell down.

Figure 5. Position Exposure Limits

Parameters	Current	From 1 August 2025	Actual (Sep-25)
Maximum Underlying Loan Exposure[1]	20%	5%	5.0%
Maximum Position Size[2]	N/A	15%	5.6%
Maximum Borrower Group[3]	N/A	20%	10.0%
Top 5 Positions	N/A	35%	20.9%
Top 10 Positions	N/A	50%	35.5%

Source: BondAdviser, MA. As at 30 September 2025.
[1]Underlying Loan means (a) in respect of asset backed lending, the look-through exposure to an underlying loan or receivable that represents the collateral for a single Position, and (b) in all other cases, the underlying single loan facility provided to a borrower
[2]Position means a single loan facility to a borrower.
[3]Borrower Groups means (a) in respect of asset backed lending, a bank or non-bank lender that is the originator under asset backed lending facility, and (b) in all other cases, the ultimate equity holder (including, if applicable, financial sponsor) in the borrowing entity that is a counterparty to loans in the MA Master Credit Trust.

Regarding portfolio parameters, the IC may amend the concentration limits by +/- 10% in the ordinary course of MCT and up to 20% in extraordinary circumstances where determined in the best interests of Unitholders.

Figure 6. Portfolio Parameters

Current		From 1 August 2025	
Credit Segment	**Target Allocation**	**Credit Segment**	**Target Allocation**
Commercial	30% - 60%	**ABL - Commercial**	30% - 60%
Consumer	20% - 40%	**ABL - Consumer**	0% - 40%
Real Estate	20% - 60%	**ABL - Real Estate**	20% - 60%
Cash & Cash Equivalents[1]	5% - 25%	**Direct Lending**	0% - 40%
Cash	1% - 10%	**Cash & Cash Equivalents[1]**	5% - 25%
		Cash	1% - 10%
		Australian & New Zealand	90% - 100%
		Developed Markets ex ANZ	0% - 10%

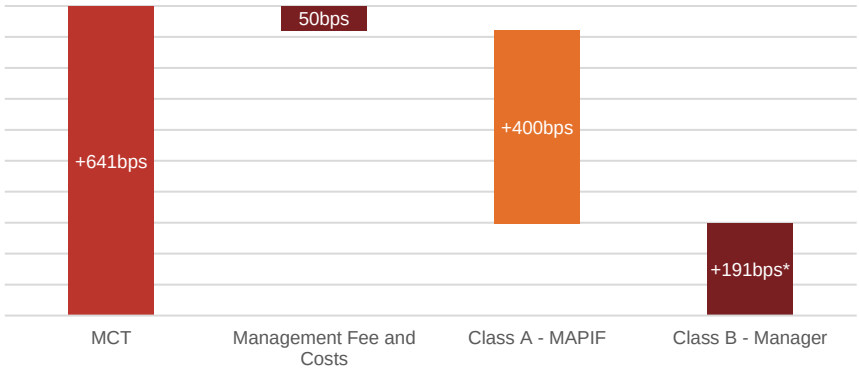
Source: BondAdviser, MA. As at 30 September 2025. [1]Includes bonds and fixed income securities.

Portfolio Risk Management

The risk profile of the MAPIF is supported by the strong alignment between the Manager and the investors. This reflects the structure of the Fund whereby investors gain exposure to the Master Trust through investment in Class A units and benefit from credit enhancement in the form of Class B units. In other words, Class B units are paid after Class A unitholders in terms of the payment waterfall and absorb any credit losses first up to the point of total Class B units outstanding.

The Class B units are held by the MA Financial Group (ASX: MAF) which represents a $219 million capital investment (as of 30 September 2025) – equivalent to ~3.8x the Group's FY24 statutory PBT ($56.9 million). As such, a full write-off of the capital buffer would significantly damage MAFs bottom line and erase ~52% of the Group's equity ($418 million as of 31 December 2024). Notably, each time the Fund invests in Class A units, MAF, via a Group entity, will make a 10% proportionate co-investment. This makes risk management imperative to both MAF and investors of MAPIF, resulting in strong alignment of interest. The 10% capital buffer provided by the Manager has remained intact since inception reaffirming this view. This is further supported by a healthy net interest margin (or excess spread) paid to the Class B units.

Figure 7. MAPIF Income Waterfall

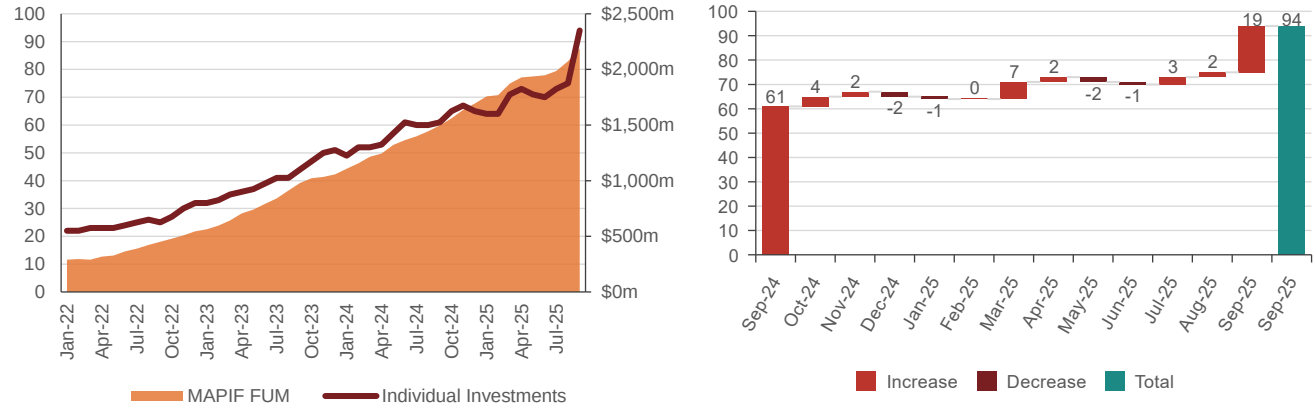


*Source: BondAdviser, MA. As at 30 September 2025. *Based on annualised Class B excess spread for 1H25.*

Beyond the excess spread and the first loss buffer of the Class B units, the risk profile of MAPIF is determined by the portfolio diversification and asset selection of MCT. Positively, this has improved as MCT has evolved into a $2.8 billion investment vehicle, including 68% growth over the past year. As of 30 September 2025, the portfolio consists of 94 positions (versus 52 based on our last review using 31 March 2024 portfolio data) with the largest investment exposure being 5.5% (versus 9.8% based on our last review). Only two exposures (both asset backed securitisations) comprise over 5% of the portfolio will all other positions being lower than 3.5% with an average of 1.1%. We note 99.1% of MCT is classified as performing with neutral risks by the Manager as of 30 September 2030, affirming the current strength of the portfolio.

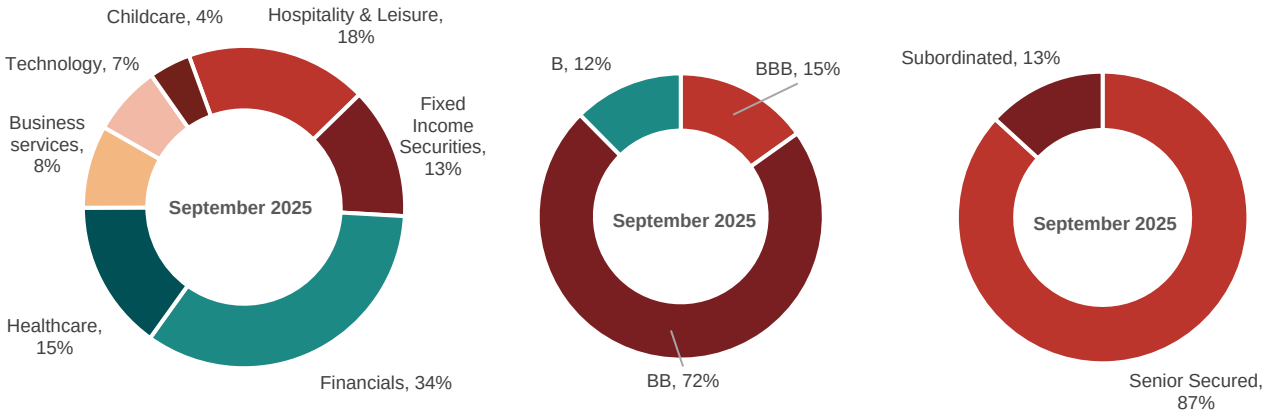
This scale has also resulted in wider investment opportunity set for the MA Financial, allowing the portfolio to participate across a range of credit investments without foregoing any material loss of diversification. MCT's direct lending exposure is an example of this whereby the Manager has become more active in the middle-market corporate loan market. Given middle market corporate debt facilities can range between $50-150 million per borrower, the lender must have significant capacity to underwrite the deal before potentially syndicating out exposure in a club deal to a group of lenders. We note this is a strategy utilised by the Manager and has allowed its direct lending book to expand into 18 investments with an average position size of $18.5 million (as of 30 September 2025).

Figure 8. MAPIF FUM Versus Underlying Assets | Underlying Assets – Last 12-Months



Source: BondAdviser, MA. As at 30 September 2025.

Figure 9. Direct Lending Exposure: Industry Group, Credit Rating, & Seniority*

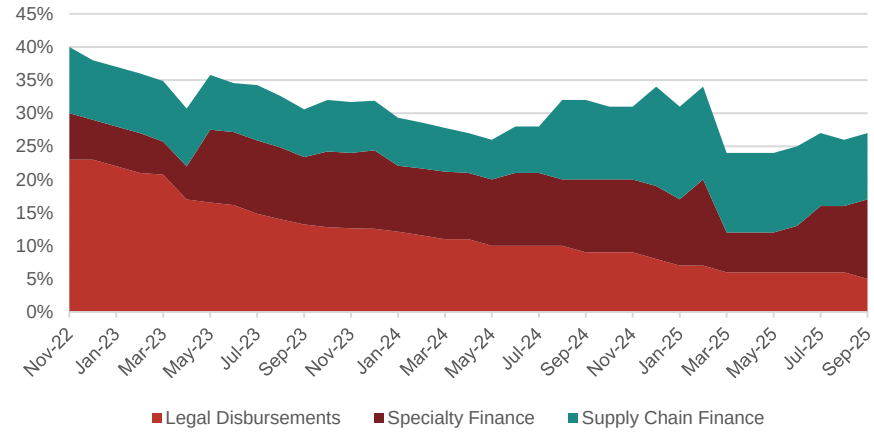


*Source: BondAdviser, MA. As at 30 September 2025. *Subordinated exposure represents Tier 2 fixed income securities issued by domestic banks and insurers.*

Despite higher direct lending exposure, asset-backed lending remains MCT's core investment strategy at 82% of the portfolio. This comprises 75 underlying investments underpinned across the look-through asset pool of 576,669 receivables and a minimal 90+ days arrears rate of 0.8% as of 30 September 2025. While this results in sound diversification, we argue this should be further overlaid with sponsor diversification to ensure risk is not concentrated to individual originators (albeit, across multiple warehouses) such as specific non-bank lenders or specialty finance firms.

From this perspective, MCT's largest exposure is 9.9% and top 10 exposures account for 55% of the portfolio, of which 25% relates to real estate (i.e. private and public RMBS, not direct construction lending) which we view on the lower end of the risk spectrum in the broader asset-backed lending market given strong historical performance. We argue this is reasonable in the context of extensive due diligence and partnerships built with these counterparties since inception of MCT in 2017. We also note most securitisation vehicles will be subject to 12–24 month availability periods which will allow the Manager to revisit due diligence parameters and reassess MCT's strategic relationship with the originator. Exposure to niche parts of the asset-backed lending market have remained relatively contained at around a quarter of the MCT portfolio, having fallen in recent years as fund capital has grown. This includes investments in legal disbursement financing, specialty finance and supply chain finance. This is a function of the significant growth of the underlying vehicle relative to the private opportunity set in the market.

Figure 10. Niche Loans Portfolio Weighting

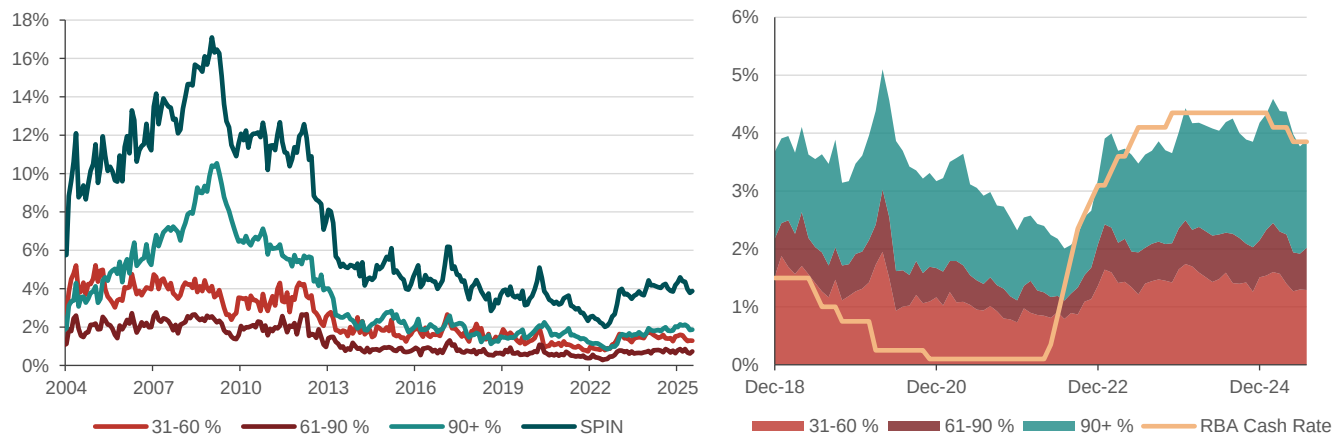


*Source: BondAdviser, MA. As at 30 September 2025. * Niche Loans include Legal Disbursements, Specialty Finance, and Supply Chain Finance.*

Arrears for non-conforming loans have risen rapidly in recent years in response to higher interest rates and inflationary pressures, having almost doubled since July 2022 lows to 3.87% according to the S&P Spin index (as of July 2025). That said, this is still well below longer-term historical levels – that held above 10% for seven years pre and post GFC. Rather, arrears have reset to pre-COVID levels and broadly in line with the 5-year average prior to 2021.

Unsurprisingly and as mentioned, the uptick in non-conforming arrears since July 2022 have been strongly correlated with the rapid rise in interest rates through 2022-23 as central banks grappled with rising inflation. Since our last review, the RBA has since initiated a subsequent rate cutting cycle as inflation returned to target levels. In line with this, arrears have begun to trend lower as serviceability has improved. This is of particular importance to investors, given that a quarter of the MCT is exposed to residential mortgage-backed security (RMBS) lending across private and public vehicles. While further rate cuts should alleviate pressure on borrowers, this could be in response to a potential weakening in macroeconomic conditions. At this juncture, we believe these risks are balanced and take comfort in the strong historical performance of the broader RMBS asset class (including no losses in any public A$ RMBS vehicles since the inception of the market).

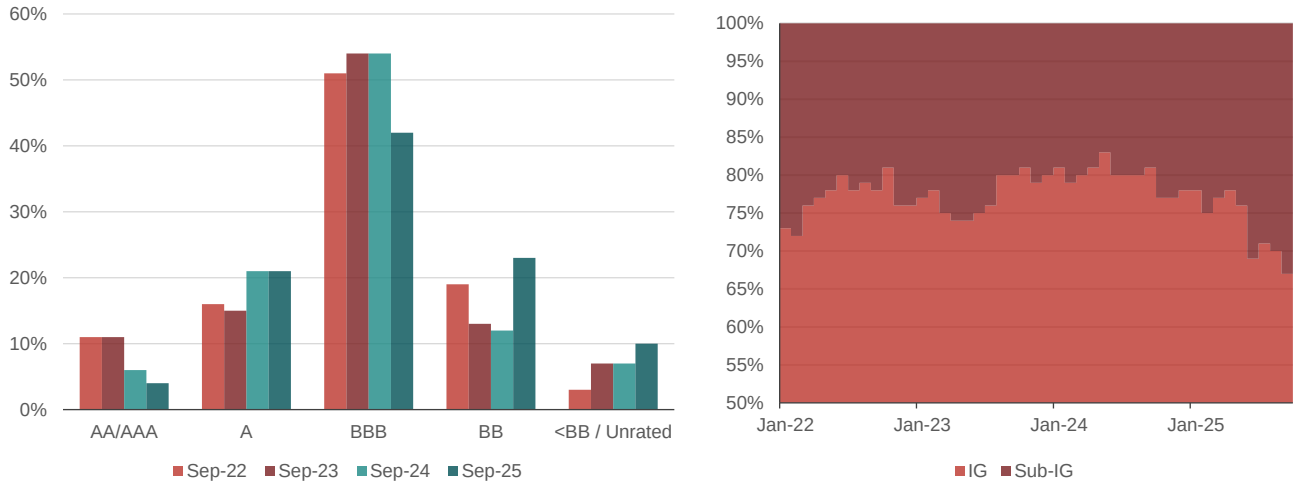
Figure 11. Australian Non-Conforming RMBS Arrears



Source: BondAdviser, S&P. As at 31 July 2025. SPIN is the addition of 31-60, 61-90, and 90+ days in arrears.

From a credit rating perspective, the Manger has shifted up the risk curve via a greater allocation to lower rated credits in the MCT over the last 12 months. Notably, the weighting to BB-rated investments has risen 11ppts to 23% and <BB-rated investments has risen 3ppts to 10%.

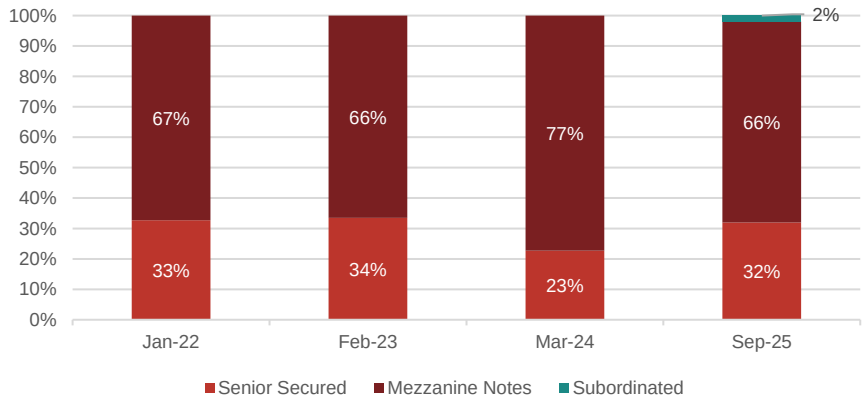
Figure 12. Credit Rating Distribution | Investment Grade versus Sub-IG



Source: BondAdviser, MA. As at 30 September 2025.

Despite the uptick in credit risk from a rating perspective, we highlight MCT's exposure to senior secured assets in the capital structure has risen since our last review from 23% as of 31 March 2024 to 32% as of 30 September 2024. That said, the Fund's core investment strategy remains extracting illiquidity premia from positions in mezzanine notes within structured credit vehicles, driving strong risk-adjusted returns. We remain comfortable with these assets, particularly given the multiple layers of protection to investors. This includes 1) first loss buffers provider by the underlying originators of the warehouse vehicle, 2) excess spread at both the vehicle level and at the MCT level, and 3) the ultimate and additional 10% first loss buffer provided by MA Financial as holder of Class B units.

Figure 13. Asset Mix Weight By Capital Structure Position

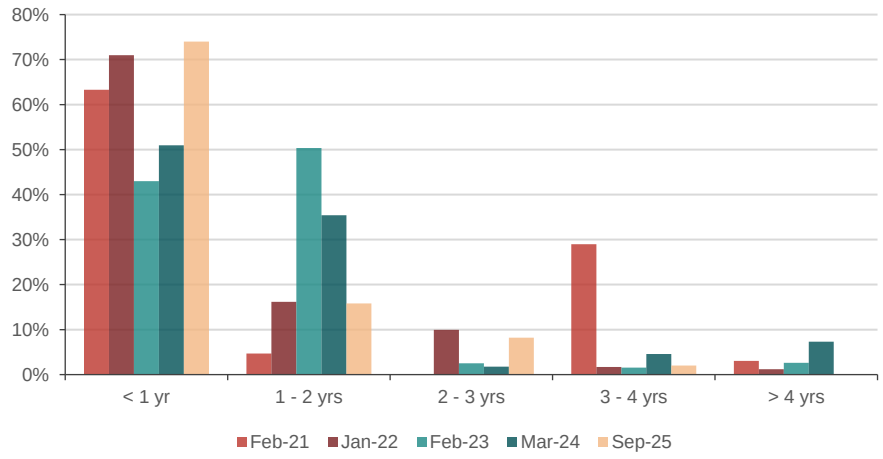


Source: BondAdviser, MA. As at 30 September 2025.

Credit risk of the overall portfolio is balanced by the short tenor of the portfolio with a credit duration of around 1 year. This limits default risk all else equal given as credit risk is correlated to term of the investment (i.e. longer time period to deteriorate). The short

credit duration also provides greater flexibility to reinvest proceeds into opportunities as market conditions evolve.

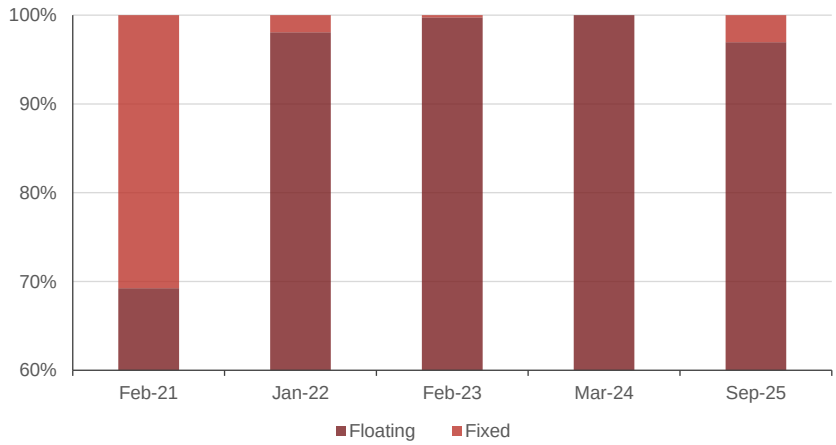
Figure 14. Portfolio Weight By Term to Maturity Bucket



Source: BondAdviser, MA. As at 30 September 2025.

Interest rate risk (i.e. interest rate duration) is also mitigated by the Fund's low exposure to fixed rate securities. This has been a key benefit of the portfolio as interest rates have risen from cycle lows over the pandemic and ensures that the Fund can deliver on its target return given asset/liability interest rate duration matching.

Figure 15. Fixed Versus Floating Breakdown



Source: BondAdviser, MA. As at 30 September 2025.

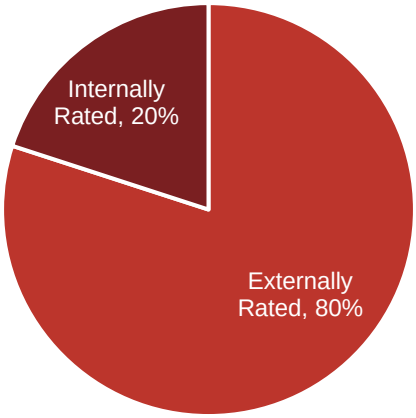
Fund Governance

In January 2025, MA Financial appointed an independent service provider to validate carrying values of the investments held by funds managed by MA Financial, including for MCT. This includes an annual review of the Manager's process to assess carrying values across implied credit ratings and valuations. We view this as an important milestone in the governance of MAPIF given ~80% of the underlying assets are internally rated due to the private nature of these positions. All ratings are reviewed annually by an independent third party, with a portion of the portfolio reviewed each quarter, however any positions deemed to be at an elevated risk are reviewed more frequently.

The independent third-party oversight builds on the Manager's strong internal processes. This involves the separation of duties between teams, having a separate finance team responsible for valuation of funds, and a Valuation Committee comprising majority MA representatives from other departments of the Group external from MA Asset Management. The committee convenes throughout the year at least on a semi-annual basis (but more frequently if required). It is responsible for reviewing findings from independent valuation providers, and testing of impairment assumptions, as well as reviewing expected credit loss provisioning.

Further governance refinements are expected to be implemented by MA Financial in the near term. This includes 1) the establishment of an internal Conflicts Committee to review certain inter-fund or related party transactions, and 2) implementing periodic external reviews of the Manager's related party transaction policies and procedures. We note that this will likely form part of broader operational due diligence reviews.

Figure 16. MCT Credit Rating Type



Source: BondAdviser, MA. As at 30 September 2025.

Quantitative Analysis

MAPIF is unique in the way it insulates Class A Units from any impairments or losses incurred across the underlying portfolio up to the 10% capital buffer provided by the Class B units. We have modelled the underlying portfolio under three scenarios: (1) under benign conditions whereby defaults are relatively infrequent, and recoveries are historically, (2) conditions experienced during the global financial crisis (GFC) in APAC across broad structured credit, and (3) a distressed downside scenario where structured credit investments are modelled based on empirical inputs experience globally across global structured credit during the GFC. Whilst the latter is highly punitive, we include this modelling to simulate the portfolio under the worst conditions experienced across structured credit.

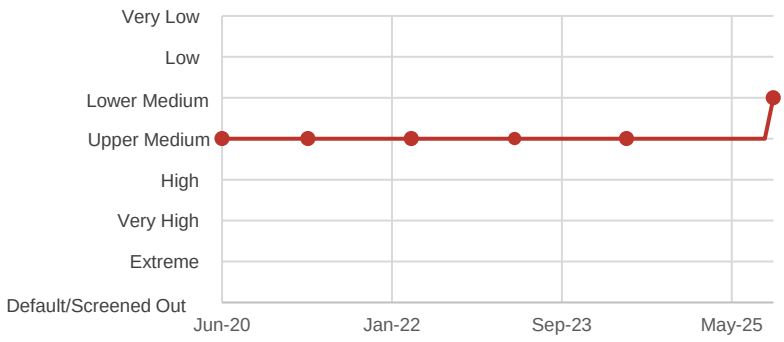
Under our baseline assessment, **the Fund delivers on the RBA +400bps return to Class A Unitholders in all 10,000 simulations**, benefitting from significant hard credit enhancement and a highly diversified portfolio.

Our second scenario uses empirical credit rating migration data experienced across APAC structured credit during the GFC. Notably, the APAC region was relatively sheltered from the GFC compared to US and Europe. Across the 10,000 simulations 9,988 deliver the target return with only 12 resulting in a missed return relative to the target, with the minimum return being 6.0%.

The portfolio performs more poorly under global data during the GFC, but we highlight this includes all structured credit including CDOs, which performed poorly during the GFC as a function of excessive leverage, risk taking, poor underwriting standards and misaligned incentives (among other reasons). We note that this strategy is significantly more conservative and therefore preface that this scenario is designed to model the portfolio using significantly higher default rates than what is our base case during a distressed scenario. Under this scenario, only 59 in 10,000 simulations deliver the target return and 85% of simulations generating a loss.

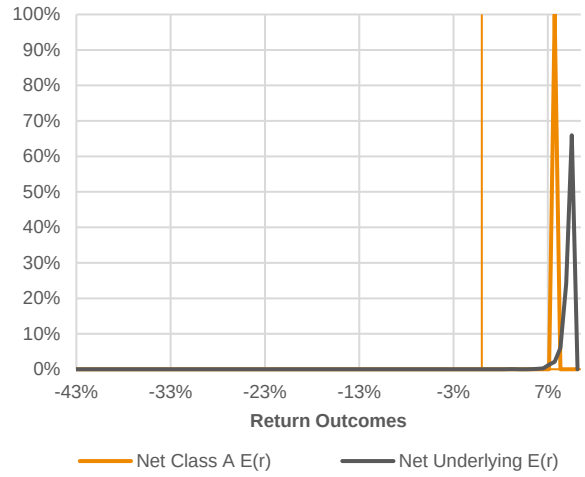
We have covered MAPIF for over six years now, with fund performance remaining robust and no impairments to the capital buffer reflecting robust underwriting standards and the strong alignment of interest. Across each year of coverage, our APAC distressed scenario analysis has produced simulations with no capital losses, albeit showing the potential for some deferred income each year, albeit noting any excess spread would be redirected to Class A Unitholders in the event income is insufficient to meet the target return. As a result, we consider the 10% hard credit enhancement to provide a significant uplift to the credit profile of the underlying asset exposure, and therefore upgrade our Risk Score to **Lower Medium**.

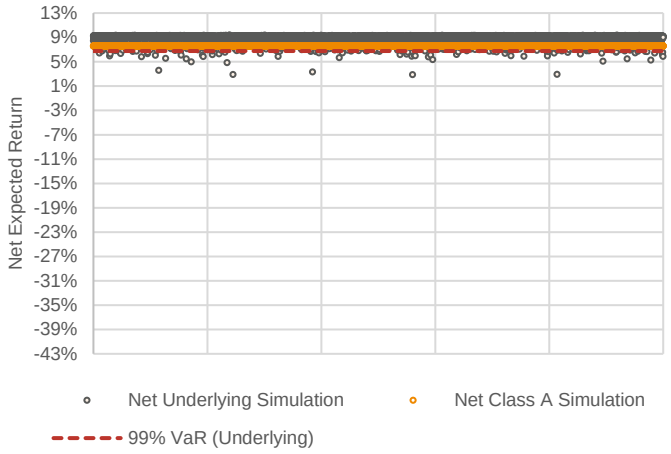
Figure 17. Risk Assessment



Source: BondAdviser.

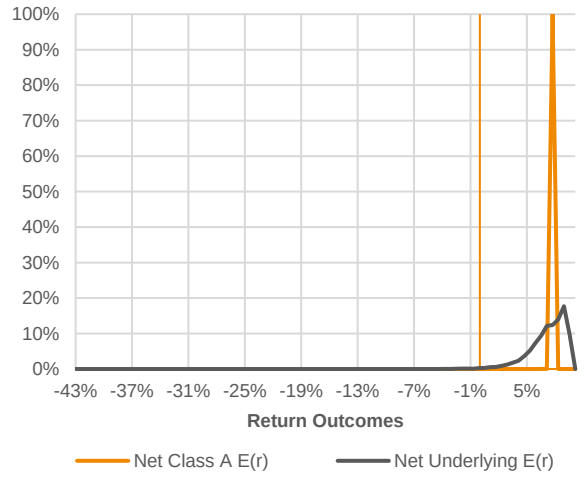
Scenario 1. Baseline Asset Assessment

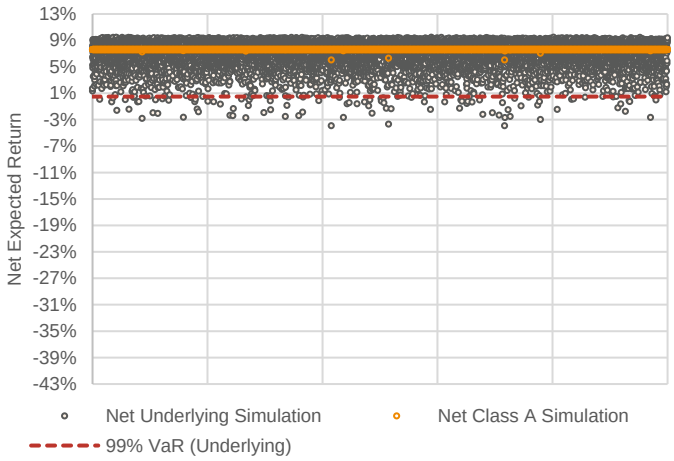




Source: BondAdviser Estimates as of 30 September 2025 portfolio. Net includes impact of fees, gross excluded.

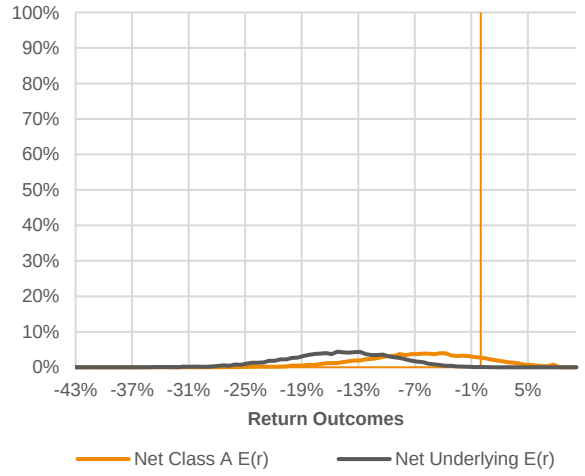
Scenario 2. Stressed Asset Assessment – APAC ABS Data

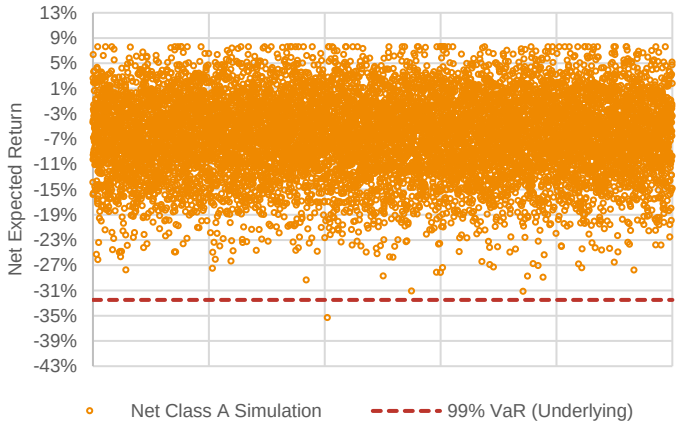




Source: BondAdviser Estimates as of 30 September 2025 portfolio. Net includes impact of fees, gross excluded.

Scenario 3. Stressed Asset Assessment – Global ABS Data





Source: BondAdviser Estimates as of 30 September 2025 portfolio. Net includes impact of fees, gross excluded.

Reporting History

MAPIF Update Report – 12 September 2024

MAPIF Update Report – 15 May 2023

MAPIF Update Report – 26 April 2022

MAPIF Update Report – 9 April 2021

MAFIF Initial Report – 19 June 2020

Alternative Investment Fund Research Methodology

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