

Target return¹

RBA Cash Rate + 4.00% p.a. (net of fees), over a rolling 12-month period.

Monthly commentary

References in this report to “investments”, “loans” or “Manager” generally refers to the look through investments, loans and investment activity of the Manager of the Underlying Fund, the MA Secured Loan Series – Class A, unless otherwise stated in this report.

In December 2025, the MA Secured Real Estate Income Fund (Fund) delivered a monthly annualised return of 7.60%, and 7.84% over a rolling 12-month period.

Over the month, the Manager deployed \$206m across drawdowns on existing loans and seven new loans at the strategy level. The new loans include three investment loans based in VIC, and four construction loans spread across VIC, QLD and SA. During the month, \$258m in loan repayments were received from borrowers at the strategy level.

The Manager has a strong pipeline of \$500m+ of new investment limits approved and in ‘execution’ stage at the strategy level. There are a further \$250m+ of potential new investments based on term sheets issued and under preparation and \$2.7bn+ in early-stage assessment at the strategy level.

The closing cash⁹ position in December 2025 was 7% of FUM at the Underlying Fund level. As at 31 December 2025, the \$200m working capital facility of the Underlying Fund was undrawn.

The Fund’s weighted average loan to value ratio (LVR) is 56% which is slightly above target of 55%, predominantly due to the one remaining direct loan in the Fund with a LVR above 60%.⁷ The Manager expects the remaining loan to be repaid in 2026, after which the Manager will invest wholly in the Underlying Fund.

Reduction to the Target Return effective 1 February 2026

Since inception in April 2018, the Fund has continued to provide investors with strong risk-adjusted returns.

As the private credit landscape continues to evolve, the Manager has seen an increase in capital competing for loans, together with an increase in loans which do not meet its strict lending requirements.

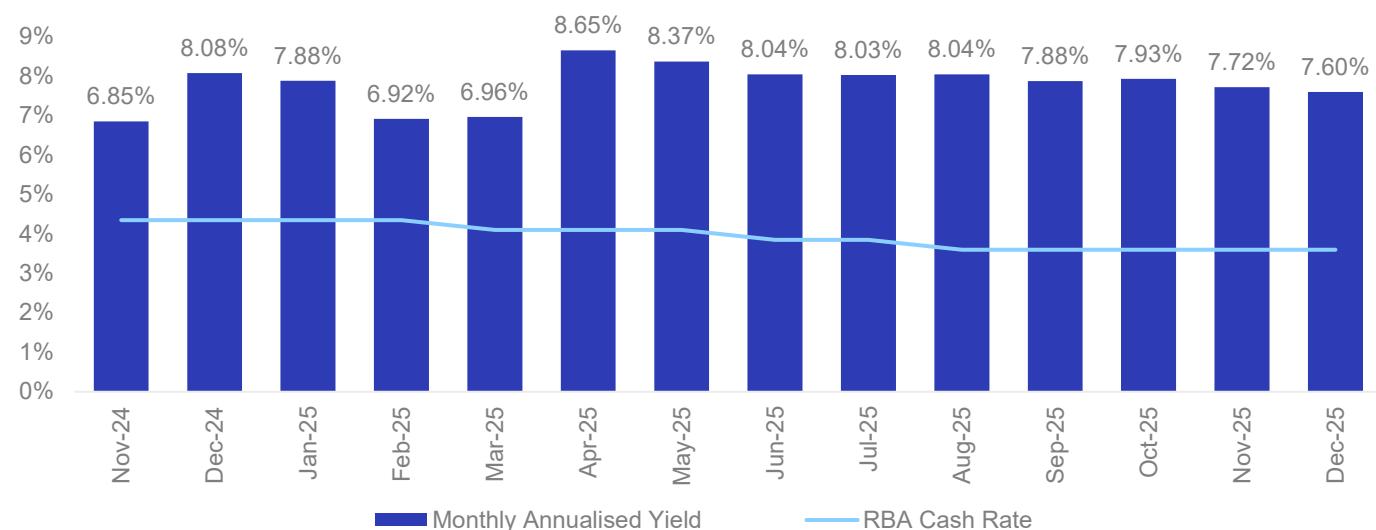
To maintain a defensive and diversified portfolio of high-quality loans without compromising risk, on 11 December 2025 the Trustee of the Underlying Fund approved the Manager’s recommendation to reduce the target return to Class A of the Underlying Fund, which has consequently resulted in the Fund’s Target Return to reduce to the RBA Cash Rate + 3.75% p.a. over a rolling 12-month period.

Fund overview		
Compliance	Target	Actual
Max LVR on any individual direct asset at the time of making the loan ⁷	<=65% per asset	65%
Max LVR on any individual underlying fund asset at the time of making the loan ⁶	<=60% per asset	60%
Weighted average LVR of the portfolio ^{7,8}	40%–55%	56%
Median loan investment	<5%	0.7%
Largest borrower exposure	<20%	5.2%
Single loan concentration	<20%	5.2%
% portfolio that can be liquidated in 545 days	>80%	84%

The change to the Target Return will be effective 1 February 2026 and is reflected in an updated Product Disclosure Statement dated December 2025, available on <https://mafinancial.com/invest/private-credit/ma-secured-real-estate-income-fund/product-disclosure-statement.pdf>

Fund performance

Monthly annualised yields ²



Total return (%)³

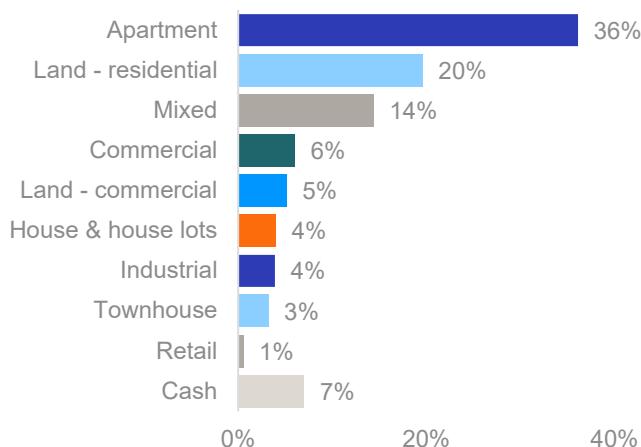
	1 month	3 months	6 months	1 year	2 years	3 years	Inception
Fund	0.65	1.97	4.03	8.13	8.54	8.82	7.80

Monthly total returns (%)

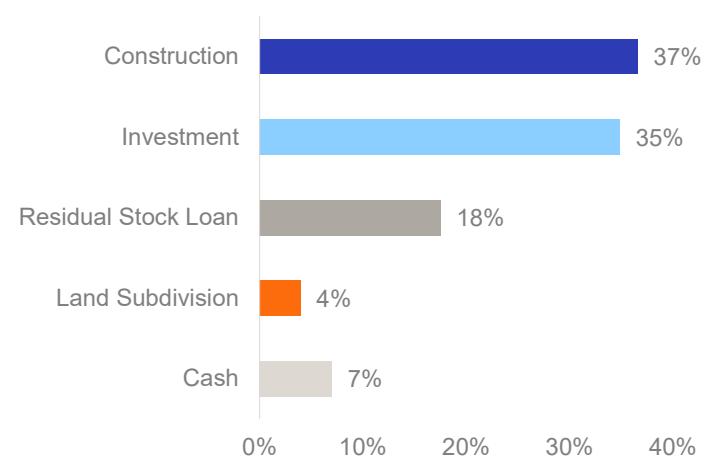
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2025	0.67	0.53	0.59	0.71	0.71	0.66	0.68	0.68	0.65	0.67	0.63	0.65	8.13
2024	0.88	0.79	0.79	0.77	0.79	0.80	0.69	0.66	0.62	0.56	0.56	0.69	8.96
2023	0.69	0.62	0.73	0.73	0.73	0.77	0.79	0.76	0.75	0.84	0.75	0.84	9.38
2022	0.45	0.40	0.43	0.42	0.44	0.53	0.47	0.48	0.56	0.66	0.63	0.68	6.31
2021	-	-	-	-	-	0.35	0.41	0.45	0.48	0.42	0.43	0.54	3.66

Portfolio snapshot⁴

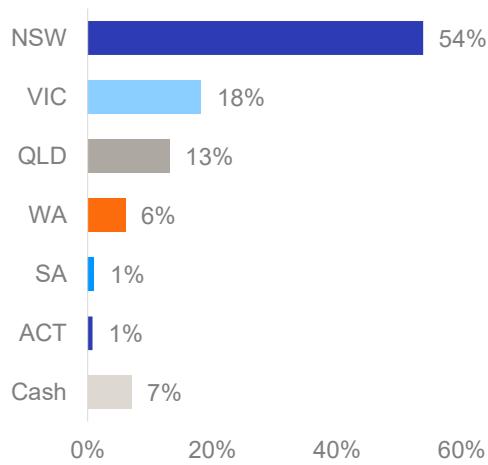
Portfolio – by type of security



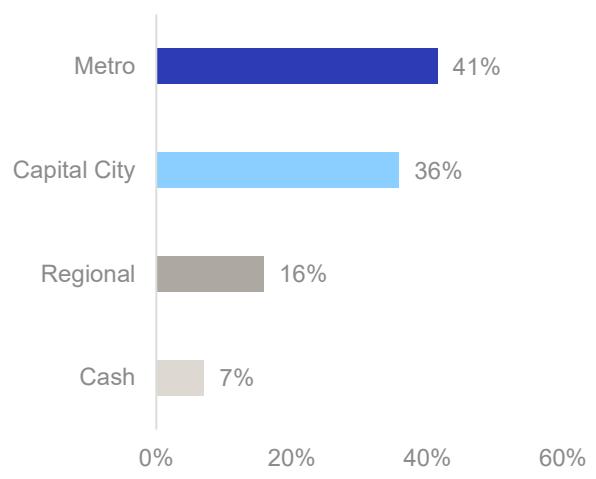
Portfolio Composition



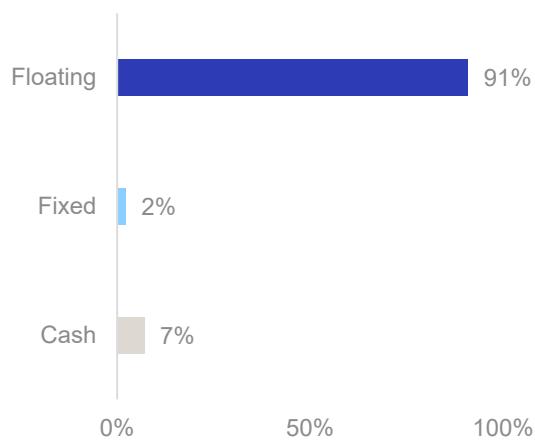
Portfolio – by state



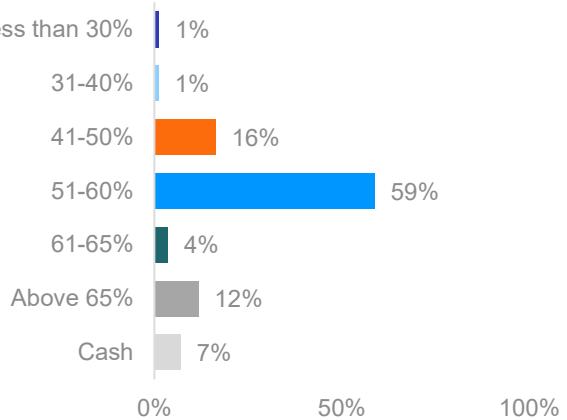
Portfolio – by region



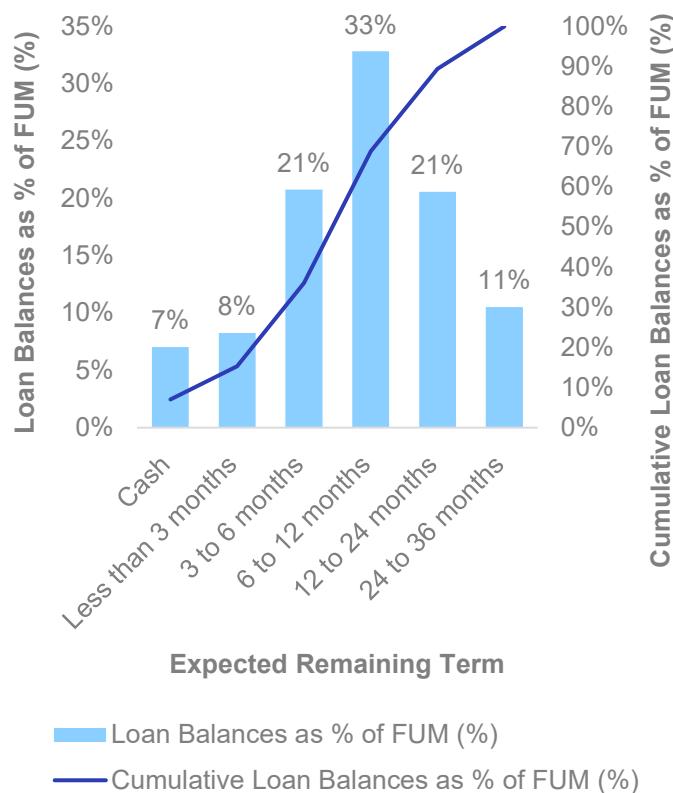
Portfolio – by type of interest on loans



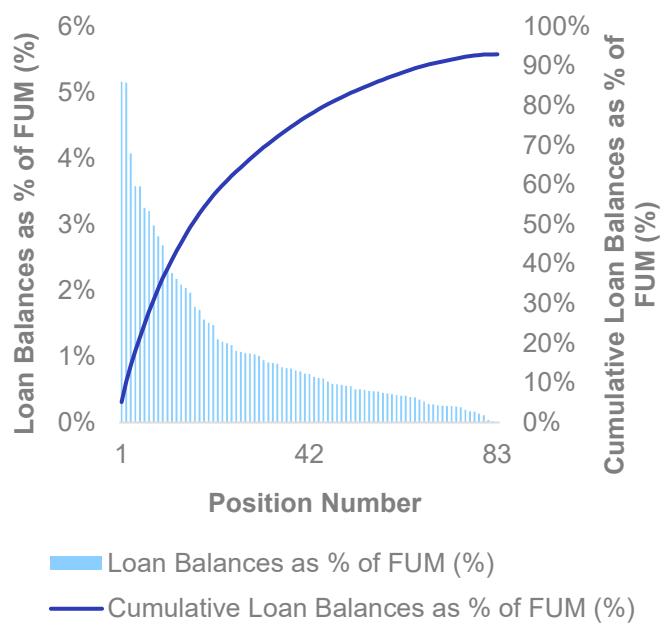
Portfolio – by LVR for loans



Portfolio – by maturity of loans and liquidity profile⁵



Portfolio – Underlying portfolio diversification¹¹



Quarterly commentary

MA is proud to have been at the forefront of providing market leading transparency and we are pleased to provide even more detail in our more comprehensive quarterly reporting to assist investors in their investment decisions.

Market overview

Activity in markets has remained consistent with commentary in the November Investor Update. Within residential markets we have noticed a considerable uptick in consumer purchaser demand within our land subdivision projects, while demand for higher density product has remained stable.

Demand for credit has also been consistent across many of the markets we operate in, with good demand for credit against both built form and construction in the residential and industrial markets in particular.

Fund metrics as at 31 December 2025

In accordance with the disclosure in our offer documents, the Manager of the Fund and the Underlying Fund (as applicable), may receive origination fees from borrowers and this is stated to be generally 1.00%-1.50% of the facility limit of a loan investment.

In a recent review of the private credit markets undertaken for the Australian Securities and Investment Commission (ASIC) (dated 9 September 2025 and released on 22 September 2025), it was stated that a preferred measure of disclosure of these fees is as a percentage of Funds Under Management (FUM). While ASIC has not yet released its response to that review, the Manager is prepared to amend its reporting to disclose the origination fees as a percentage of FUM, in anticipation that ASIC may indicate that preferred disclosure method.

The Manager, in its capacity as an investment manager of the Fund and the Underlying Fund collectively received upfront and variation/extension fees directly from borrowers equating to 0.83% of average FUM over the 12 months ending December 2025.

The proportion of the portfolio with loans that have capitalised interest is 84%. Capitalised interest within these loans are incorporated within the financial covenants (such as loan to value ratio) and forms part of the registered first mortgage position.

The Fund had a total of \$1.2m of liquidity available, providing adequate cash coverage of the monthly distributions of \$0.8m.

Similarly, the Underlying Fund had \$322.5m of liquidity available providing significant cash coverage of its monthly distribution of \$15.6m (which includes the distribution paid to the Fund).

The liquidity for the Underlying Fund to pay distributions for the period is provided from a number of sources, including:

- cash held at the start of the month; plus
- cash interest received from borrowers; plus
- loan repayments received from borrowers (which includes capitalised interest); less
- cash funded expenses (including base management fee); less
- committed drawdowns advanced to existing borrowers.

The sources of liquidity for the Fund to pay distributions for the period is similar to the Underlying Fund, plus the cash distribution received from the Underlying Fund itself.

Total exposure (based on the Fund's proportionate interest of the Underlying Fund) where another fund managed by MA Financial Group holds mezzanine debt:

Loan #	Fund exposure \$m	Mezzanine debt held by another MA fund \$m
Loan 1	\$3.8	\$1.0
Loan 2	\$1.3	\$0.03
Loan 3	\$1.4	\$0.2
Loan 4	\$3.1	\$0.2
Loan 5	\$0.6	\$0.04

There are two sponsors with loan balances greater than 5% of the portfolio but within the Fund limit of 20%. Note that there may be more than one sponsor for each deal and the Fund exposure percentage may be included more than once in these circumstances in the below figures.

Sponsor #	% of strategy FUM	# of loans
Sponsor 1	12.7%	4
Sponsor 2	7.0%	4

Construction update

As at 31 December, the Portfolio comprised 37% construction loans and 4% land subdivision loans, both of which are typically higher yielding than other types of loans.

The risks associated with builder and developer solvency are taken into account during the Manager's standard investment review process and are appropriately structured. While the potential for builder insolvencies remains in the current market environment, moderating cost escalation has reduced stress in the sector.

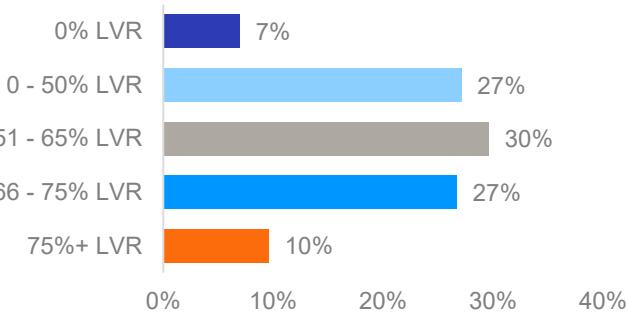
Key observations are:

- Sensitivity analysis performed during due diligence for all loans invested in by the Fund includes stress analysis for builder default, time delays (due to weather, low workforce, replacing builders), cost increases, value declines and pre-sale/pre-commitment defaults.
- The average construction and land subdivision contract size at the Underlying Fund level is \$36m. Contracts smaller in size typically have a greater availability of replacement builders compared to the larger construction contracts.
- 33% of construction and land subdivision loans in the Underlying Fund are in the final stage of construction.
- The portfolio of construction and land subdivision loans is diversified by builder, with the maximum concentration to any one builder of 13%.
- The construction and land subdivision loans cover a range of property types, with the largest concentration being to apartments (19% by Underlying Fund exposure). The

Manager is comfortable with this level of exposure given the tight residential market.

- For the portfolio of construction and land subdivision loans, key leverage risk measures include:
 - Weighted average Loan to Value is 73% ¹²
 - Weighted average Loan to Cost is 84% ¹³
 - Weighted average Loan to Progress Value is 70% ¹⁴
- The residual LVR (reflecting exposure after deduction of presales) is another risk measure for construction facilities that adjusts for market risk. For six projects (7% of construction and land subdivision loan balances at the Underlying Fund level) the residual LVR is zero (i.e. the loan is fully covered by presales) and the average residual LVR across construction and land subdivision loans at the Underlying Fund level is 56%. Below is a chart of residual LVR showing 64% of the construction loans at the Underlying Fund level have a residual LVR of less than 66% across the portfolio.

Residual LVR of construction loans



Investments under watch

Fund investments are actively managed, which includes close monitoring of progress against initial projections. Unless otherwise stated, references to "Fund investments" in this section refer to the investments of the Underlying Fund on a look through basis.

The Manager categorises Watchlist loans as 1, 2 or 3 based on the risk of loan value deterioration (or risk of loss), as follows:

- Category 1 loans have a low credit concern, but there may be a breach of the loan terms (e.g. upcoming maturity or past expiry, where a loan extension would operate within lending guidelines and full repayment is expected).
- Category 2 loans are in active management with moderate concerns (e.g. construction or selling performance slower than forecast) and there is very low probability of a deterioration in the value of the loan. For a loan with no existing specific provision, full recovery of investment and documented return is expected (95% likelihood). For a loan with an existing specific provision or write-off, no further reduction in the value of the loan is expected to be required (95% likelihood).
- Category 3 loans have the highest level of concern / oversight level (typically loans are in active recovery phase, including mortgagee sale, receivership for example). Deteriorations in the value of the loan have a greater than 5% likelihood.

Inclusion on the Manager's Watchlist does not necessarily mean the Manager believes the particular investment will not recover the invested amount or expected return. Many of the circumstances being addressed in the Watchlist were factored into the initial deal assessment and are within risk tolerances.

As at 31 December 2025, the Underlying Fund had two loans in Category 3 and 14 loans in Category 2. During December, two loans were removed from the watchlist as a result of full facility repayment. The Manager expects full recovery on principal investments for all loans except one where a provision for a modest expected shortfall (<0.015% of FUM of the Underlying fund level) in recovery of principal has been taken. This loss is not expected to affect Class A or Class B capital of the Underlying Fund and is expected to have an immaterial effect on Class B returns (<0.1% on an annualized basis). The Manager also expects a lower than forecast return on four of these loans (two in Category 3 and one in Category 2) and continues to apply income provisioning only across these loans.

Most of the current Watchlist cases relate to legacy construction challenges that are now abating and the soft markets in Victoria.

The Fund had the following loans with payments in arrears or otherwise in default as at 31 December 2025. These loans are placed on the Watchlist and are actively managed. Further commentary on Category 2 and 3 loans is included in the appendix.

Days in arrears	# loans	% of FUM
0-30 days	5	3.8%
30 – 90 days	4	1.8%
90 days +	14	21.6%

In relation to the loans that have been in arrears or in default for more than 30 days:

- Three loans in Category 1 representing 1.66% of the portfolio that are in default and are being actively managed. These loans are fully performing assets where the Manager is in the process of facilitating an extension or refinance of the loans.
- 13 loans in Category 2 representing 18.04% of the Portfolio that are in default, where the Manager is confident of achieving full return on the investments
- Two loans in Category 3 representing 3.76% of the Portfolio that are in default and are being actively managed, where there is a concern that returns may be lower than originally forecast.

The Fund had 14 loans with payments in arrears for 90+ days or were otherwise in default as at 31 December 2025 broken down as follows:

- 12 loans were in Watchlist Category 2, where the Manager is confident of achieving full return on the investments. These loans represent 17.87% of FUM, but the exposure above a 75% LVR is only 1.25% of FUM.
- Two loans were in Watchlist Category 3 and are being actively managed where there is a concern that returns may be lower than originally forecast. These loans represent 3.76% of FUM, but the exposure above a 75% LVR is only 1.08% of FUM.

ASIC RG 45 Disclosure Benchmarks

There have been no changes to either the ASIC RG 45 Disclosure Benchmarks or Disclosure Principles subsequent to the issue of the Product Disclosure Statement (PDS) dated December 2025. An update against the Portfolio 'target' levels (Disclosure Principle 3) is included this Report.

Related party arrangements

The Fund did not enter into any related party arrangements during the month.

Other

The Fund does not use derivatives or other hedging techniques and has not engaged in any derivative transactions during the reporting period.

The Fund did not hold any non-mortgage assets during the reporting period (excluding cash).

Investment objective

The MA Secured Real Estate Income Fund (Fund), predominantly through its investment in Class A of MA Secured Loan Series (Underlying Fund), aims to provide investors with an attractive monthly income focused on capital preservation via exposure to a diversified portfolio of real estate credit investments secured by registered first lien mortgages. These mortgages target secured loans over Australian real estate that vary in size, type, and location.

As detailed earlier in this report, effective from 1 February 2025, the Fund's target return is the RBA Cash Rate plus 3.75% per annum (net of fees and costs) over a rolling 12-month period, payable monthly (Target Return). The Target Return is calculated based on the RBA Cash Rate as observed on the first day of each month. Movement in the RBA Cash Rate in a month will be applied from the first day of the following month.

Investment strategy

The portfolio of the Underlying Fund is constructed based on the following parameters:

- Diversified by sector – exposure to loans secured by Australian property predominantly in the residential, commercial, hospitality, retail and industrial sectors.
- Limited concentration – No single loan or counterparty representing more than 20% of the portfolio, and target median loan size not exceeding 5% of the portfolio.
- Up to 50% of the Fund inclusive of the Underlying Fund, may be in construction loans (excluding land subdivision projects) or in loans where the ability to sell or realise full value is contingent on the completion of substantial construction works.
- Short loan duration – loans are intended for a maximum committed period of 36 months, with the target portfolio having a weighted average duration not exceeding 12 months.
- Strong credit position – all loans are secured by a registered first mortgage.

The Fund will invest in Class A of the Underlying Fund that has a target range for the weighted average LVR of 40%–55% and

Fund information	
Inception date	May 2021
Structure	Australian Unit Trust
Fund term	Open-ended fund
Fund currency	AUD
Minimum initial investment	\$10,000
Applications	Monthly
Redemptions	Monthly
Distributions	Monthly in cash or reinvested as part of the Distribution Reinvestment Plan
Management fee	0.85% p.a. of the Net Asset Value on direct assets
Performance fee	Nil
APIR code	MAA6243AU
Platform availability	Australian Money Market, DASH, HUB24, Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, Praemium
Research Ratings	Lonsec – 'Recommended'

a maximum LVR of 60% first mortgage. Rate in a month will be applied from the first day of the following month

About MA Financial Group

We invest. We lend. We advise.

We are a global alternative asset manager specialising in private credit, core and operating real estate, hospitality, private equity and venture capital as well as traditional asset classes. We lend to property, corporate and specialty finance sectors and provide corporate advice.

Our investment teams have diverse skill sets and experience across a range of strategies and market conditions and are focused on delivering long-term growth. Our conviction runs deep and as testament to this we co-invest in many of our strategies alongside our clients, aligning our interests with theirs.

More information

The Target Market Determination for Units in the Fund is available free of charge on the Fund webpage mafinancial.com/au/invest/private-credit/masecured-real-estate-income-fund

For more information, please speak to your financial adviser or the MA Client Services team at:

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mafinancial.com

ENDNOTES

1. Target Return has changed over time. The stated Target Return is current and was from 1 April 2025 until 1 February 2026. The Target Return will then reduce to RBA Cash Rate +3.75%p.a. effective from 1 February 2026. RBA Cash is reset and fixed on the first calendar day of the month.
2. Monthly Annualised Distribution Yield is calculated at a point in time by annualising the distribution made during the month and dividing it by the ending NAV price for that period. This yield represents an annualised return based on the relevant month's distribution and assumes that this level of distribution continues for a full year. The monthly annualised distribution yield will fluctuate with changes in the distribution amount or the unit price.
3. Past performance is not a reliable indicator of future performance. Performance returns are net of fees and expenses and assume tax is not deducted. It is calculated using Net Asset Value (NAV) prices assuming the reinvestment of all distributions. Performance returns for periods greater than 1 year are annualised. Performance inception date 1 May 2021.
4. Values may not add up due to rounding.
5. Duration is calculated using expected repayment date.
6. The amount invested in each new loan is limited to 60% of the valuation at the time of making the loan.
7. As at the date of the PDS, in relation the direct credit investments of the Fund, the Manager applies a target weighted average LVR of under 60% and a maximum LVR of 65% as at the time of investment.
8. Class A and Class B will have exposure to all loan investments of the Underlying Fund proportionally based on the AUM of each class relative to the Underlying Fund's total AUM. The proportion will be reviewed at least quarterly by the Manager.
9. Cash includes cash balances and working capital when the working capital facility is drawn.
10. Most loans in the Fund are structured with capitalised interest, which is common in development and value-add real estate financing and supports borrower liquidity during project delivery. While this approach results in loan balances increasing over time, these exposures are managed through conservative leverage settings and regular project monitoring to assess risk level is appropriate.
11. Cumulative loan balances as % of FUM does not add to 100% due to cash holdings.
12. Loan to Value calculated as the maximum of the facility limit and loan balance divided by the "as-if complete" valuation of the loan.
13. Loan to Cost calculated as the maximum of the facility limit and loan balance divided by the total development cost.
14. Loan to Progress Value calculated as the loan balance divided by a proportion of the "as if complete" valuation (such proportion reflecting the percentage of total development cost completed to the date of calculation)
15. Value of loan investments on a look through basis.

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Appendices – Additional portfolio detail

Appendix A: Underlying Credit Investments

Loan #	Sponsor #	Loan Type	Security Type	State	Category	% FUM
1	Sponsor 1	Construction	Apartment	QLD	-	2.1%
2	Sponsor 2	Investment	Land - commercial	NSW	-	0.4%
3	Sponsor 3	Construction	Apartment	NSW	3	3.0%
4	Sponsor 4	Investment	Land - commercial	NSW	-	0.0%
5	Sponsor 5	Residual Stock Loan	Mixed	NSW	1	0.6%
6	Sponsor 6	Residual Stock Loan	House & house lots	NSW	1	0.2%
7	Sponsor 7	Construction	Townhouse	NSW	1	1.3%
8	Sponsor 8	Construction	Apartment	NSW	2	2.7%
9	Sponsor 9	Investment	Industrial	SA	-	1.0%
10	Sponsor 10	Residual Stock Loan	Apartment	NSW	2	0.8%
11	Sponsor 11	Residual Stock Loan	Apartment	QLD	-	0.5%
12	Sponsor 9	Investment	Land - commercial	VIC	-	0.2%
13	Sponsor 12	Residual Stock Loan	Apartment	QLD	2	0.3%
14	Sponsor 13	Investment	Land - residential	NSW	2	0.7%
15	Sponsor 14 & 18	Construction	Land - residential	NSW	-	5.2%
16	Sponsor 15	Investment	House & house lots	NSW	-	1.0%
17	Sponsor 16	Investment	House & house lots	VIC	2	0.0%
18	Sponsor 9	Investment	Commercial	WA	-	1.5%
19	Sponsor 17	Investment	Land - residential	NSW	2	0.5%
20	Sponsor 18	Residual Stock Loan	Apartment	NSW	-	5.2%
21	Sponsor 14 & 18	Construction	House & house lots	NSW	-	0.7%
22	Sponsor 19	Construction	Townhouse	ACT	3	0.8%
23	Sponsor 20	Investment	Land - commercial	NSW	2	1.8%
24	Sponsor 21	Construction	Apartment	NSW	2	2.3%
25	Sponsor 14	Residual Stock Loan	Land - residential	NSW	2	0.4%
26	Sponsor 22	Construction	Apartment	NSW	1	0.3%
27	Sponsor 23	Residual Stock Loan	Apartment	QLD	-	0.6%
28	Sponsor 24	Investment	Land - residential	NSW	-	0.9%

29	Sponsor 25	Construction	Apartment	NSW	-	1.2%
30	Sponsor 26	Construction	House & house lots	NSW	-	2.0%
31	Sponsor 27	Investment	Land - commercial	NSW	-	0.2%
32	Sponsor 28	Residual Stock Loan	Mixed	VIC	2	3.6%
33	Sponsor 9	Land Subdivision	Land - residential	WA	-	0.2%
34	Sponsor 29	Construction	Commercial	QLD	-	0.1%
35	Sponsor 30	Investment	Apartment	NSW	-	0.9%
36	Sponsor 31	Construction	Industrial	QLD	-	0.5%
37	Sponsor 32	Construction	Apartment	SA	-	0.0%
38	Sponsor 33	Investment	Mixed	VIC	-	2.3%
39	Sponsor 34	Land Subdivision	Land - residential	NSW	-	2.0%
40	Sponsor 35	Investment	Apartment	NSW	2	0.9%
41	Sponsor 36	Investment	Commercial	VIC	-	0.5%
42	Sponsor 37	Investment	Retail	WA	-	0.6%
43	Sponsor 38	Construction	Townhouse	QLD	-	0.5%
44	Sponsor 39	Construction	Apartment	QLD	-	0.4%
45	Sponsor 40	Construction	Industrial	WA	-	1.2%
46	Sponsor 41	Investment	Land - residential	QLD	-	0.5%
47	Sponsor 18	Residual Stock Loan	Land - commercial	VIC	-	0.6%
48	Sponsor 42	Investment	Commercial	VIC	2	1.1%
49	Sponsor 43	Residual Stock Loan	Apartment	WA	-	1.6%
50	Sponsor 44	Investment	Commercial	NSW	-	2.8%
51	Sponsor 45	Land Subdivision	Land - residential	NSW	1	1.2%
52	Sponsor 9	Investment	Land - residential	NSW	-	0.7%
53	Sponsor 46	Investment	Land - commercial	QLD	-	0.3%
54	Sponsor 47	Investment	Land - residential	QLD	-	0.4%
55	Sponsor 48	Investment	Land - commercial	NSW	-	1.5%
56	Sponsor 49	Construction	Apartment	QLD	-	1.0%
57	Sponsor 37	Construction	Apartment	WA	-	0.4%
58	Sponsor 50	Investment	Land - residential	VIC	-	0.6%
59	Sponsor 51	Investment	Mixed	QLD	-	3.3%
60	Sponsor 41	Investment	Land - residential	QLD	-	0.6%

61	Sponsor 52	Construction	Apartment	NSW	-	1.1%
62	Sponsor 53	Investment	Mixed	QLD	1	0.7%
63	Sponsor 7	Construction	Townhouse	NSW	-	0.7%
64	Sponsor 22	Construction	Mixed	NSW	-	4.1%
65	Sponsor 9	Land Subdivision	Land - residential	WA	-	0.3%
66	Sponsor 9	Land Subdivision	Land - residential	WA	-	0.3%
67	Sponsor 54	Investment	Industrial	NSW	2	0.2%
68	Sponsor 50	Investment	Land - residential	VIC	-	0.4%
69	Sponsor 55	Investment	Land - commercial	VIC	-	0.2%
70	Sponsor 56	Investment	Land - residential	VIC	-	0.8%
71	Sponsor 57	Investment	Land - residential	VIC	-	1.7%
72	Sponsor 58	Construction	Apartment	NSW	-	2.2%
73	Sponsor 14	Construction	House & house lots	QLD	-	0.1%
74	Sponsor 59	Construction	Apartment	NSW	-	0.9%
75	Sponsor 50	Investment	Land - residential	VIC	-	0.8%
76	Sponsor 31	Construction	Industrial	QLD	-	0.2%
77	Sponsor 11	Construction	Apartment	QLD	-	0.8%
78	Sponsor 60	Investment	Land - residential	VIC	-	1.1%
79	Sponsor 61	Investment	Land - residential	QLD	-	0.3%
80	Sponsor 62	Construction	Industrial	VIC	-	0.4%
81	Sponsor 63	Construction	Industrial	VIC	-	0.4%
82	Sponsor 64	Investment	Apartment	VIC	-	3.6%
83	Sponsor 65	Residual Stock Loan	Apartment	NSW	2	3.2%

Appendix B: Watchlist Summary – Category 2 and 3

Loan #	Summary	Category	% FUM	% FUM >75% LVR
3	Relates to a construction loan for a residential apartment project where the borrower is in liquidation. The Manager is seeking updated cost-to-complete information to determine the most appropriate course of action. The Manager expects to fully recover the investment but the returns will be lower than forecast on loan investment. The loan return is impaired with a specific provision, based on accounting standards that require the consideration of a variety of outcomes or scenarios.	3	3.0%	0.8%
22	Residential construction loan. Cost overruns have led to borrower default. A replacement builder has been appointed and construction has recommenced. The Manager expects to fully recover the investment but the returns will be lower than forecast. Income provisions have been made.	3	0.8%	0.3%
32	A Residual Stock Loan for a mixed-use property where sales of the have been slower than expected leading to a default. Full recovery of principal and returns is expected.	2	3.6%	0.5%
19	Completed land subdivision facility past maturity. Borrower actively progressing a refinance. Full recovery of principal and returns is expected.	2	0.5%	-
67	Investment facility past maturity as extension terms not agreed by the sponsor. Repayment via refinancing is expected. Full recovery of principal and returns is expected.	2	0.2%	-
14	Land subdivision investment loan, property located in NSW. Default triggered and sale process underway. Current offer would result in full repayment. The Manager expects to fully recover the investment, but the returns will be lower than forecast. Income provisions have been made.	2	0.7%	0.2%
23	Investment loan for commercial land, past maturity. Working with the borrower to assess options. Full recovery of principal and returns is expected.	2	1.8%	-
10	Residual stock loan secured by apartments. Default triggered based on LVR covenant. Sales process continuing. Full recovery of principal and returns expected.	2	0.8%	0.1%
13	Residential residual stock loan past maturity. Property located in Queensland. Receiver has been appointed, sell down of remaining units underway. Full recovery of principal and returns is expected.	2	0.3%	-
24	Construction facility secured against a residential redevelopment which has experienced delays. Refinancing is being progressed. Full recovery of principal and returns expected.	2	2.3%	-
25	Residential residual stock loan, past maturity. Borrower support is being progressed to facilitate a potential extension. Full recovery of principal and return expected.	2	0.4%	-

Loan #	Summary	Category	% FUM	% FUM >75% LVR
8	Residential development facility past maturity. Practical completion reached, substantial portion of apartment units have been sold, with marketing and settlement of remaining units underway. Full recovery of principal and returns expected.	2	2.7%	-
40	Residual stock loan secured by apartments. Past maturity but continues to service interest. Full recovery of principal and returns is expected.	2	0.9%	-
17	Investment loan secured against seven townhouses, past maturity. Six of seven units sold and settled. Process to sell remaining property underway. The Manager expects a slightly lower recovery. Specific provisions have been taken to reflect the expected realisation on this loan.	2	0.0%	-
48	Investment loan secured against commercial property. Default triggered based on LVR covenant, sale process commencing. Full recovery of principal and returns is expected.	2	1.1%	-
83	Residual stock loan in NSW where apartment sales are slower than expected. The financing cost has increased the LVR to over the covenant 65%. Full recovery of principal and returns is expected	2	3.2%	0.5%