

31 May 2025

## Target return<sup>1</sup>

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

## Monthly commentary

In May, the Fund delivered a monthly annualised return of 8.37%, which is 0.27% p.a. above target.

During May, the Manager deployed \$41m across drawdowns on existing loans and two new loans at the strategy level. The new loans include two investment loans for residential land in VIC and WA. During the month, \$48m in loan repayments were made from borrowers as expected at the strategy level.

Currently, the Manager has a strong pipeline of \$800m+ of new investment limits approved and in 'execution' stage. There is a further \$650m+ of potential new investments based on term sheets issued and under preparation and \$1.5bn+ in early-stage assessment.

The Manager's strong pipeline is the result of strategic investment in expanding its origination team, borrower discernment in seeking better credentialed lenders, and a general improvement in market conditions with cost increases normalising, growth in values, reductions in the cash rate and notably, significant changes to government planning policies improving financial viability of projects. The Manager forecasts significant growth in deployment opportunities this year.

The closing cash position in May was 5% of FUM. The Underlying Fund also has the benefit of a \$100m working capital debt facility secured in August 2023 when the FUM of the Underlying Fund was less than \$1,400m. Subject to current discussions with the lender of the facility, the manager of the Underlying Fund is considering a potential \$100m increase in the facility (\$200m facility limit) for working capital purposes, consistent with the growth in FUM.

The Fund's weighted average LVR is currently above target predominantly due to two remaining direct loans in the Fund with LVRs above 60%.<sup>7</sup> The Manager expects these two loans to be repaid in Q4 2025, after which the Manager will invest wholly in the Underlying Fund. Accordingly, references in this report to "investments" or "loans" generally refers to the look through investments or loans of the Underlying Fund, the MA Secured Loan Series – Class A, unless otherwise stated in this report.

## Fund overview

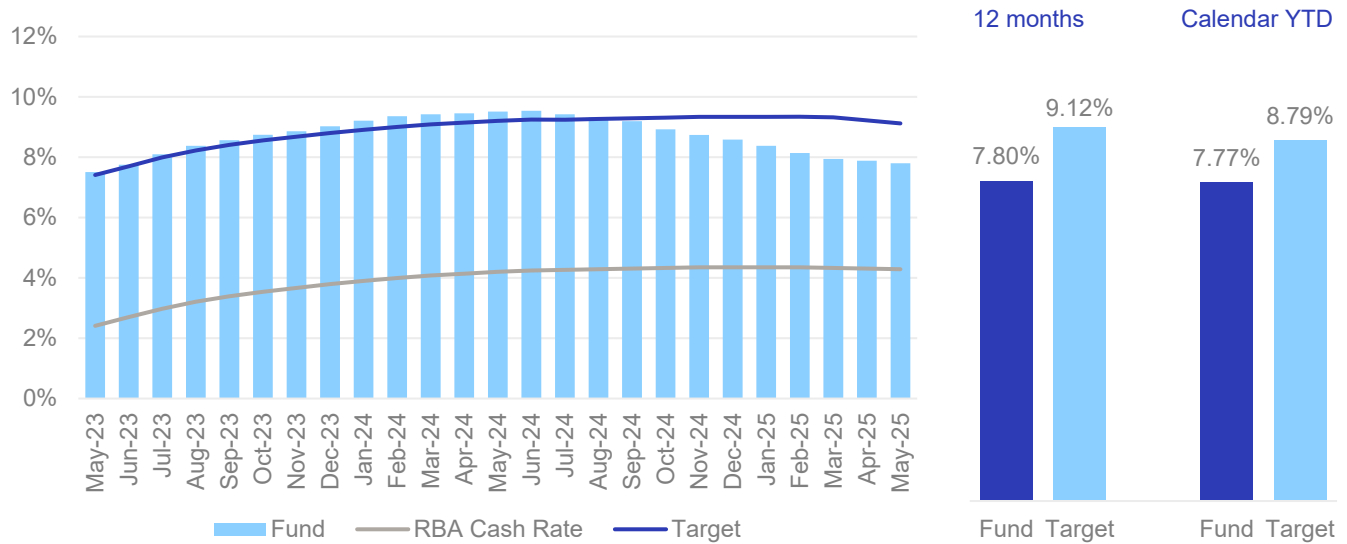
Strategy FUM	\$2,154m
Fund size	\$123.2m
NAV per unit	\$1.0000
Number of investments	85
Weighted average duration <sup>5</sup>	8.01 months
% portfolio with capitalising interest	88%
Proportion of Portfolio lent to largest 10 borrowers	44%
Undrawn loan commitments	The Fund currently has undrawn commitments for 21 loans (22% of the Portfolio) to be funded by available liquidity in the Underlying Fund

## Compliance

Compliance	Target	Actual
Max LVR on any individual direct asset at the time of making the loan <sup>7</sup>	<=65% per asset	65%
Max LVR on any individual underlying fund asset at the time of making the loan <sup>6</sup>	<=60% per asset	60%
Weighted average LVR of the portfolio <sup>7,8</sup>	40%–50%	58%
Median loan investment	<5%	0.5%
Largest borrower exposure	<20%	6.1%
Single loan concentration	<20%	6.1%
% portfolio that can be liquidated in 545 days	>80%	100%

## Fund performance

### Trailing 12 months distribution yields<sup>1,2</sup>



### Total return (%)<sup>3</sup>

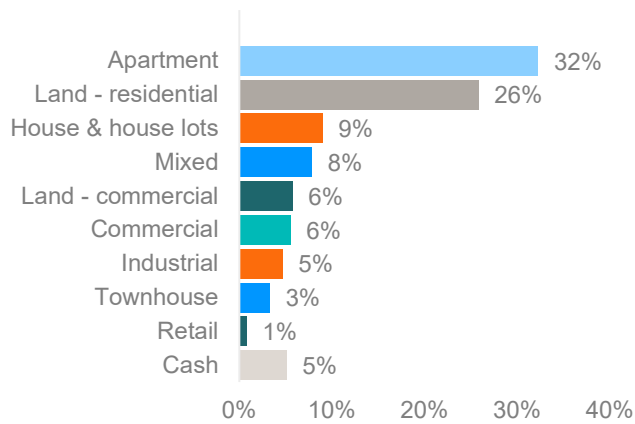
	1 month	3 months	6 months	1 year	2 years	3 years	Inception
Fund	0.71	2.03	3.96	8.09	9.01	8.59	7.74

### Monthly total returns (%)

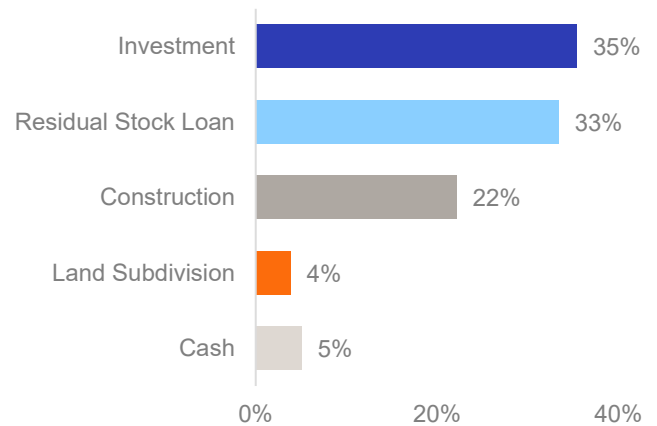
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2025	0.67	0.53	0.59	0.71	0.71	-	-	-	-	-	-	-	3.26
2024	0.88	0.79	0.79	0.77	0.79	0.80	0.69	0.66	0.62	0.56	0.56	0.69	8.96
2023	0.69	0.62	0.73	0.73	0.73	0.77	0.79	0.76	0.75	0.84	0.75	0.84	9.38
2022	0.45	0.40	0.43	0.42	0.44	0.53	0.47	0.48	0.56	0.66	0.63	0.68	6.31
2021	-	-	-	-	-	0.35	0.41	0.45	0.48	0.42	0.43	0.54	3.66

## Portfolio snapshot<sup>4</sup>

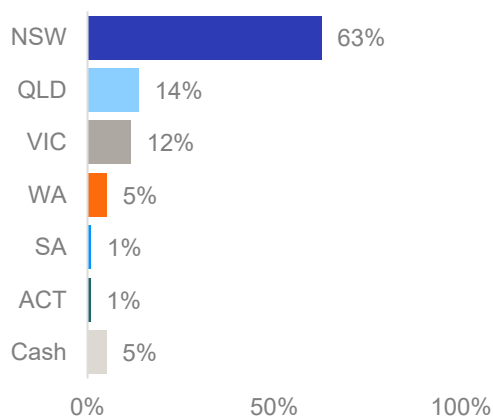
### Portfolio – by type of security



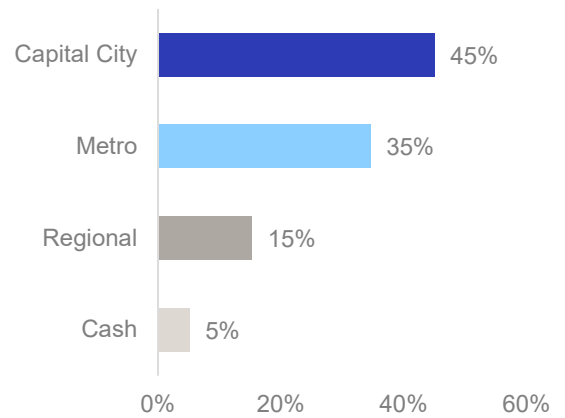
### Portfolio Composition



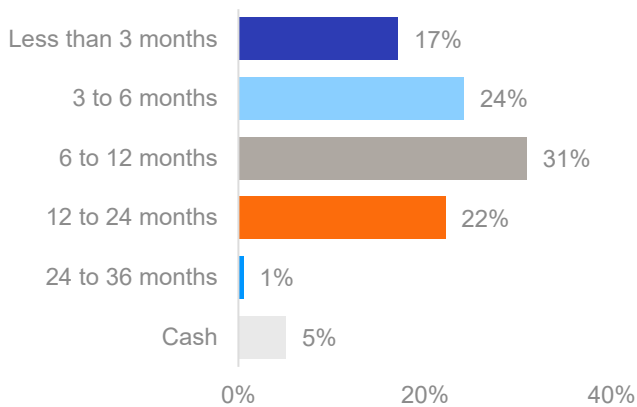
### Portfolio – by state



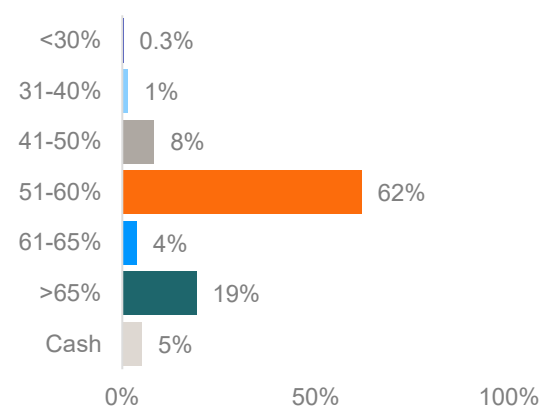
### Portfolio – by region



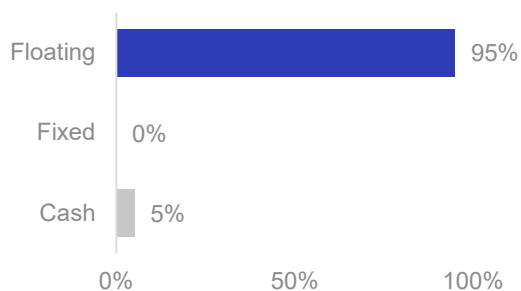
### Portfolio – by maturity of loans<sup>5</sup>



### Portfolio – by LVR for loans



### Portfolio – by type of interest on loans



## Investments under watch

Fund investments are actively managed, which includes close monitoring of progress against initial projections.

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 May 2025, the Fund had four loans in category 3 and 10 loans in category 2. The Manager expects full recovery on principal investments for all loans except one where a provision for a modest shortfall (<\$0.1m) 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 only. The Manager also expects a lower than forecast return on five of these loans (three in Category 3 and two in Category 2) and continues to apply income provisioning only across these loans. The value of the Underlying Fund's loan investments has been reduced by current provisions equating to 0.55% of FUM. These provisions have been expensed by the Underlying Fund over time and have reduced prior distributions. Further information on watchlist loans are provided in each quarterly report.

As at 31 May 2025, the portion of loans that are in default for more than 30 days is:

- Three loans in Category 1 representing 6.45% 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.
- 10 loans in Category 2 representing 25.51% of the Portfolio that are in default, where the Manager is confident of achieving full return on the investments
- Four loans in Category 3 representing 3.78% 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.

As at 31 May 2025, the Fund had two loans that are in arrears for more than 30 days.

## 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 April 2025. An update against the Portfolio 'target' levels (Disclosure Principle 3) is included in this Report.

## Related party arrangements

The Fund did not have 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.

The Fund's target return is the RBA Cash Rate plus 4.00% 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.

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 a maximum LVR of 60% first mortgage.

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

## 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](https://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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T: +61 2 8288 5594

[mafinancial.com](https://mafinancial.com)

## ENDNOTES

1. Target Return has changed over time. The stated Target Return is current and was from 1 April 2025. RBA Cash is reset and fixed on the first calendar day of the month.
2. Distribution yield is calculated at a point in time by annualising the sum of distributions over the period and dividing it by the ending NAV price. Distribution yield will fluctuate when the distribution amount or the unit price changes.
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 this PDS, in relation to 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.

## IMPORTANT INFORMATION

MAAM RE Ltd (ACN 135 855 186) (AFSL 335783) is the responsible entity (Responsible Entity) of the MA Secured Real Estate Income Fund ARSN 648 810 904 (Fund) and the issuer of the units in the Fund. The information contained in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making any investment decision you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current Product Disclosure Statement (PDS) of the Fund. The PDS for the Fund is available at [www.mafinancial.com/asset-management/retail-funds/ma-secured-real-estate-income-fund/product-disclosure-statement/](https://www.mafinancial.com/asset-management/retail-funds/ma-secured-real-estate-income-fund/product-disclosure-statement/). Neither the Responsible Entity nor any member of the MA Financial Group Limited guarantees repayment of capital or any particular rate of return from the Fund. All opinions and estimates included in this document constitute judgments of the Responsible Entity as at the date of this document and are subject to change without notice.

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