Level 27, Brookfield Place
10 Carrington Street
Sydney NSW 2000

4 November 2026

Investors in MA Financial's
Global Credit Solutions funds

The many flavours of private credit

Quarterly Global Credit Solutions investor letter (Q3 2026)

Dear Fellow Investors,

On behalf of the Global Credit Solutions (GCS) team at MA Financial, I'd like to thank you for your continued investment in our private credit funds. This letter continues our initiative to provide you – our clients – with regular and general updates on our GCS fund suite, as well as thematic considerations about what matters in private credit. Our past letters and the associated podcast episodes are available on our website.[1]

Fund performance snapshot for Q3

The MA Credit Income fund suite, which provides exposure to a now $7.9 billion underlying portfolio across MA Financial's flagship private credit and is therefore a good barometer of the overall performance of our strategies, delivered an annualised return of ~8.8% (net of fees and costs)[2,3] for Q3 2026.

Our MA Priority Income Fund – with its defining Capital Buffer and Income Priority features – achieved a further milestone in September by delivering its target return of the RBA Cash Rate + 4.00% p.a. (now 8.85% p.a.[4]) for the 93rd consecutive month.[3] Our ASX traded note program, MA2HA or the MA Credit Portfolio Notes, targets the BBSW + 3.25% p.a. and provides a daily-tradeable access point for our capital buffered private credit strategies. It has also delivered its target income every month since inception.[3]

These results were delivered in a quarter in which private credit was at the centre of much discussion in Australia.

My best insight to share this quarter came in an unexpected place.

'Which flavour do you mean?'

One of the privileges (and challenges) of my role is how much I travel. So far this year, I've visited hundreds of clients, borrowers, partners and peers across Australia, Asia, North America and Europe. Whenever I return home, one of my favourite rituals is taking my dog for a walk along Manly Beach.

On one of those walks recently, in the middle of an early burst of hot weather, we stopped in at a beachside café called Cibaria for a gelato. Standing in the queue, I overheard a visiting tourist ask the Italian attendant for "a gelato."

The attendant smiled and replied: ***"Sure, but which flavour do you mean? We have a lot of gelato."***

It made me laugh because it resembles the conversations I've been having with many investors this quarter.

[1] The GCS Quarterly Investor Letter webpage is located at https://mafinancial.com/insights/quarterly-global-credit-solutions-investor-letter

[2] The Credit Income fund suite is available in both listed (ticker ASX:MA1, being the MA Credit Income Trust) and unlisted formats (the MA Credit Income Fund and the MA Credit Income Fund (Wholesale) – Class A and Class B). The stated return reflects the quarterly annualised return for MA Credit Income Fund but is reflective of the performance of the different access points within the strategy. The listed MA1's return for the quarter was ~8.6% p.a. (with the delta due to the costs of being a listed investment trust).

[3] Past performance is not a reliable indicator of future performance.

[4] The Reserve Bank of Australia increased the benchmark interest rate to 4.85% p.a. on Tuesday 3 November 2026.

Mixing software and real estate lending

Earlier this year, the rhetoric around private credit globally asked whether the industry had a software problem. As the AI revolution advanced at unprecedented pace, anxiety emerged over US private credit funds that had concentrated heavily in loans to software companies, especially those owned by private equity. I explored this theme in my Q1 2026 letter, *What do you mean, private credit?*

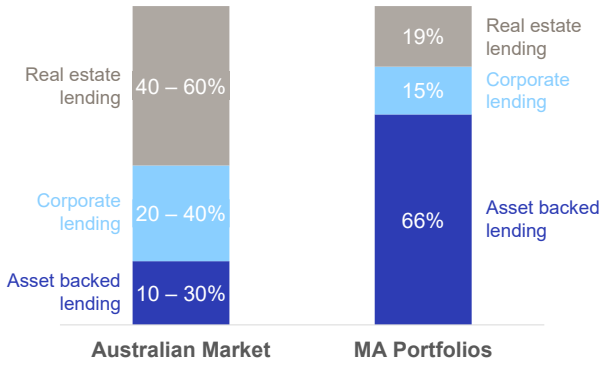
This quarter, it was Australia's turn.

Australia's residential property market has reacted swiftly and sharply to major policy changes in the May 2026 Federal Budget as well as rising interest rates aimed at combating sticky, high inflation. That market is witnessing one of the fastest price declines in decades, accentuated by a dearth of liquidity as buyers lack confidence to transact (observable in low auction clearance and transaction rates).

Many Australian private credit firms are predominantly, or even solely, focused on real estate lending. ASIC's Report 814 estimated about half of the $200+ billion industry is focused on providing real estate loans, particularly construction and development finance (as shown in the graph to the right).[5]

The exposure of around 50 private credit lenders to Bathla Group, a residential developer which collapsed into administration in late August with reported liabilities of around $3.5 billion across its many projects in Western Sydney, has become a high-profile symbol of potential emerging stress in the construction financing sector (as an aside, MA has not lent to any Bathla projects). Meanwhile, ASIC's chair has called the current conditions the "first real test" of private credit.

Australian Private Credit Market Composition[5]



Understandably in this environment, many people are asking: *Is Australian private credit in trouble?*

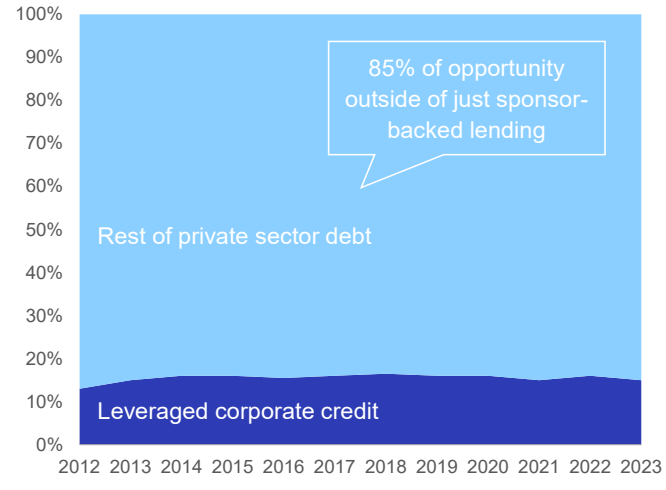
My answer is the same as the gelato purveyor at Cibaria: ***Well, which flavour of private credit do you mean?***

The many flavours of private credit

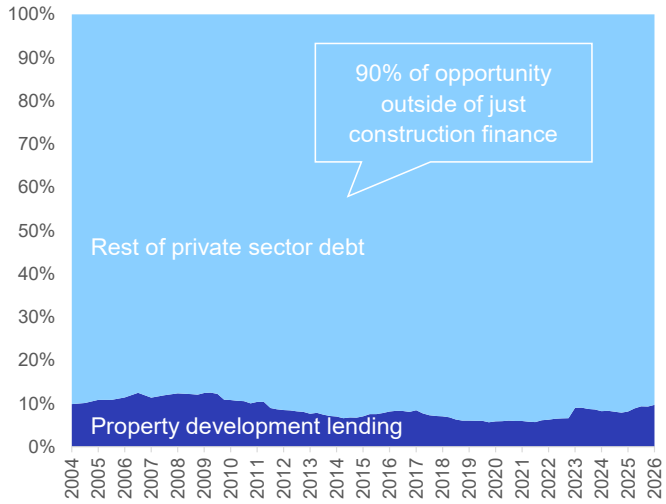
Globally, the term "private credit" has become synonymous with lending to finance private equity buyouts (called sponsor backed lending or leveraged finance), particularly to software companies. In Australia today, if you ask someone what they think private credit means, the answer will probably be "financing property development."

Both of these things are *types* of private credit, but they are not at all representative of the entire opportunity set represented by the asset class. We estimate that leveraged finance and property development lending represent about 15% (globally) and 10% (in Australia) of the total private debt opportunity set, as shown below.[6]

Global private sector debt composition



Australian private sector debt composition



[5] ASIC, *REP 814 – Private credit in Australia*, September 2025. MA Portfolios based on portfolio composition of MA Credit Income Fund, as at 30 September 2026. MA refers to direct real estate lending as "Direct Asset Lending" in its periodic reporting for this fund.

[6] Based on MA analysis of data from (Global) FS Investments, Federal Reserve, Bloomberg, and (Australia) APRA, RBA and proprietary data sets.

Just as there are many different flavours of ice cream, there are many types of loans that are 'private credit.'

Nigel Williams and Richard Timbs framed it well in their report for ASIC (Report 814):

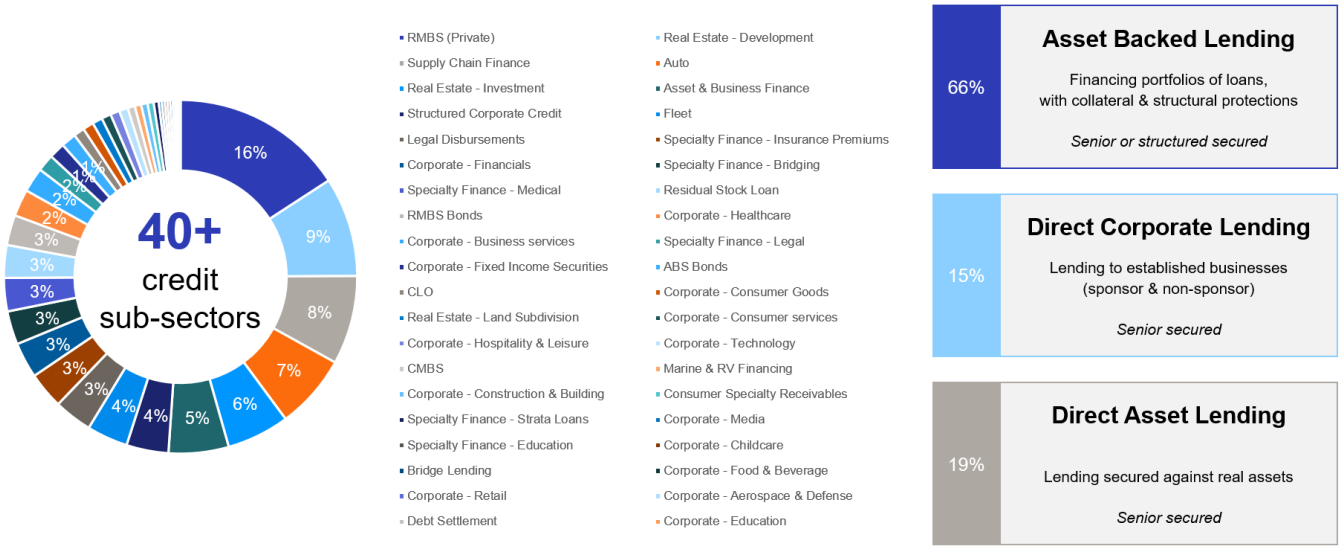
> *"Private credit is not a homogenous product. […] Private credit offerings span an extremely broad range of offerings, from those that are large, widely diversified and global in nature to smaller, concentrated, domestic, sector-specific funds."*

At MA we have always insisted on being a broad-based manager of many private credit strategies. We believe credit is about safeguarding capital while earning consistent income, in the defensive part of your portfolio.

If that's your goal, why would you want to limit your universe of possible lending opportunities?

Using our MA Credit Income fund suite as an illustration, we participate in over 40 credit sub-sectors in a portfolio of 246 positions across asset backed lending (66% of AUM), direct corporate lending (15%) and direct asset lending (19%, of which only ~9 percentage points is development finance).[7] Meanwhile, our MA Priority Income fund suite has a portfolio of 155 positions spanning ~35 credit sub-sectors across asset backed lending and corporate lending (with no direct real estate or construction finance lending).[8]

Credit sub-sector composition of Credit Income fund suite[7]



As you can see, our portfolios look quite different to the wider private credit industry. Whereas up to 60% of the Australian private credit industry is focused on real estate lending (and then heavily focused on construction and development finance), we are far more balanced. Similarly, unlike many US or global funds, we aren't concentrated only in sponsor-backed corporate lending.

This is very intentional. In each segment of credit, there are good loans and bad loans. The art of our profession is designing robust processes to filter the good from the bad, while building balanced portfolios of different credit investments that can perform resiliently through evolving market conditions. And, of course, effectively managing risk within the book.

Through a cycle, there are times when the risk-adjusted returns are better in some lending segments than others. By participating in multiple segments, our teams are empowered to make the right credit decisions and be honest about how lending fundamentals compare across different parts of the market.

As an example, our allocation to real estate loans in the MA Credit Income fund suite has reduced by over one third from ~30% a year ago to ~19% today. That wasn't because we crystal-ball gazed the Federal Budget, the residential property market downturn, interest rates, inflation or the demise of Bathla. Nor does it mean there are no good lending opportunities in real estate credit – actually, we expect the current environment will be favourable for new real estate loans because the balance of power has swung materially in favour of the lender vis-à-vis the borrower.

The reason we reduced our exposure is that our Investment and Portfolio Management teams were able to assess the relative value across credit segments. Over the past year or two, the relative value in asset backed and corporate lending was more favourable than direct asset lending, so we rotated our portfolio composition to match.

[7] Based on portfolio composition of MA Credit Income Fund, as at 30 September 2026.

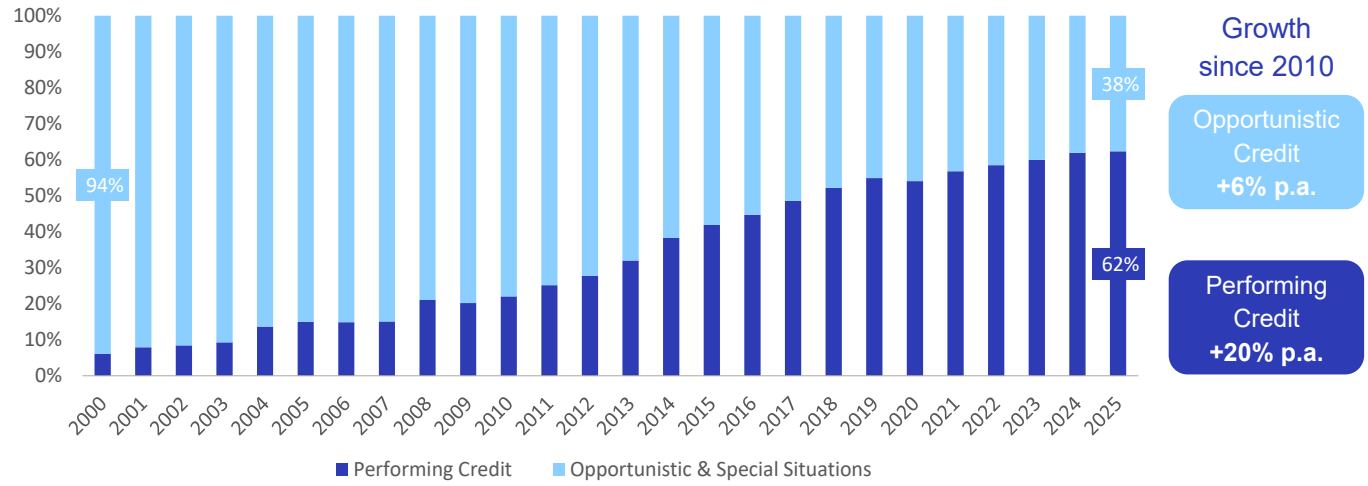
[8] Based on portfolio composition of MA Priority Income Fund, as at 30 September 2026.

A ‘monoline’ manager doesn’t have that choice. As I wrote in my Q4 2025 letter, *The return on my money*, **“A manager that can only do one thing is often forced to do it – whether the risk-reward is compelling or not.”**

The best of private credit

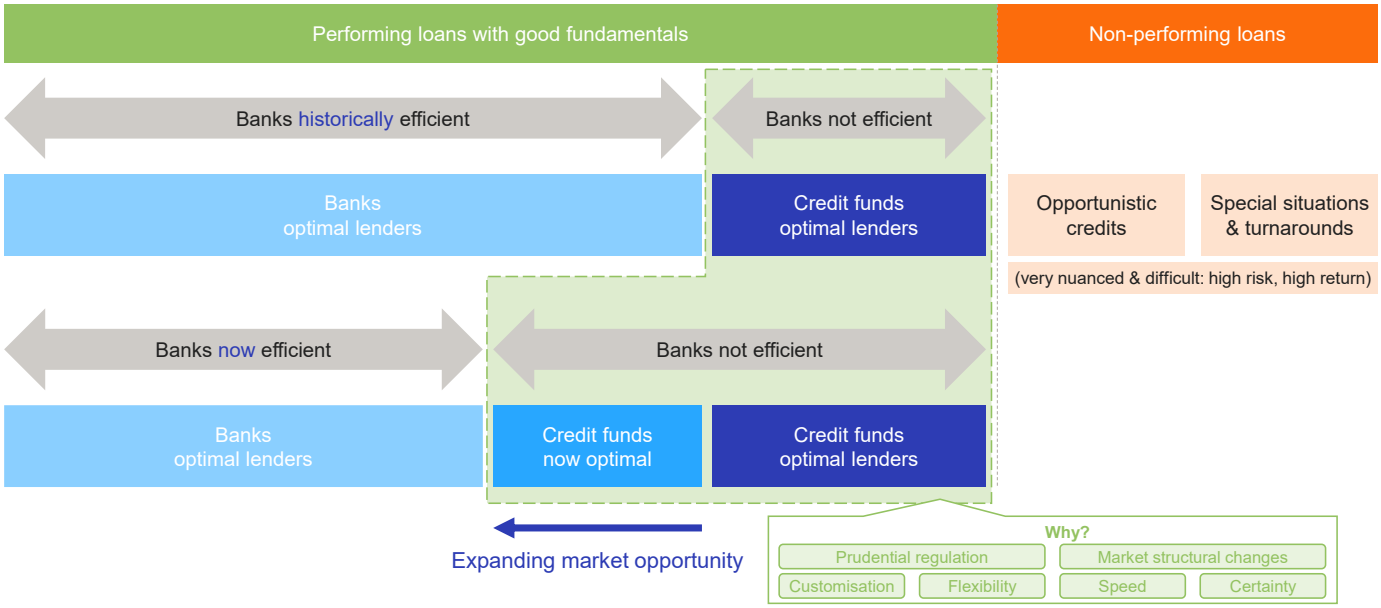
In the year 2000, private credit (it wasn’t called that then) was a niche US$49 billion industry focused on opportunistic lending, such as distressed loans or special situations where banks could not participate. While the industry has grown substantially to become a US$3 trillion asset class,[9] it has also fundamentally changed in nature. Most private credit is no longer focused on opportunistic lending but rather performing credit.

Composition of private credit AUM[9]



At MA, we believe the best of private credit is financing performing, real-world loans where banks are not the efficient provider of capital. This could be due to regulation, prudential standards, market structural features (such as the rise of the broker channel as the predominant form of loan origination), technology, or borrower preferences (such as the requirement for customised terms, flexibility, speed or certainty).

We observe this opportunity set expanding. More assets are being financed in non-bank channels or in asset-based finance structures, where we partner with major banks to finance, in securitised form, loan portfolios originated and serviced by specialist lenders.



There is also a growing trend of banks seeking ways to partner with private credit funds to finance loan books, as a way to achieve capital relief and optimise their return on equity in a prudentially regulated business. For example, it was recently reported that a Big 4 Australian Bank has hired a senior executive specifically to focus on this strategy.

[9] Source: Preqin.

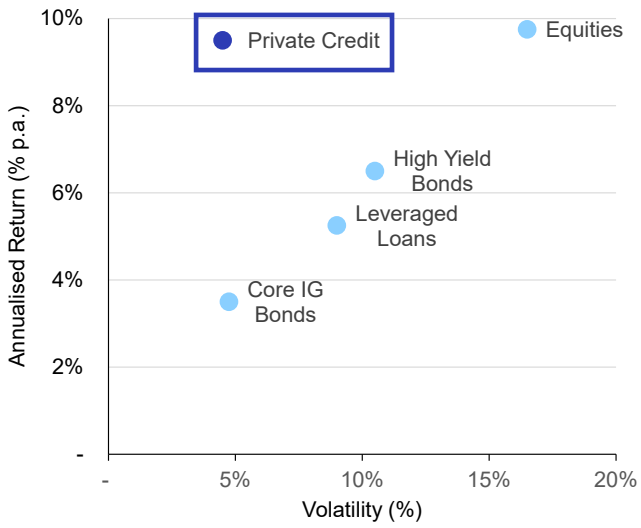
We undertook our first such credit related partnership with a (different) major Australian bank back in 2021 for a $300 million asset finance portfolio and have since expanded our strategic lending partnerships with several counterparties globally. We're excited to see how this theme develops over time.

The role of private credit in a portfolio

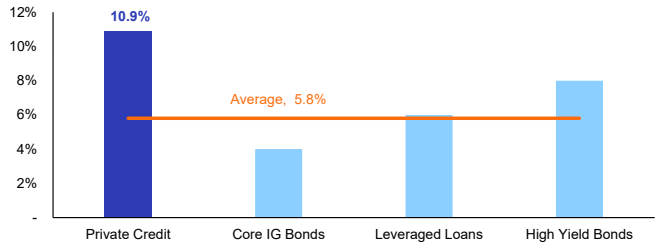
The textbook analysis of private credit goes something like this: *The asset class has delivered higher returns than traditional fixed income over two decades, with lower volatility.*

As the analysis below demonstrates,[10] private credit globally has delivered higher income yield with less pronounced drawdowns during times of stress than bonds or traded loans.

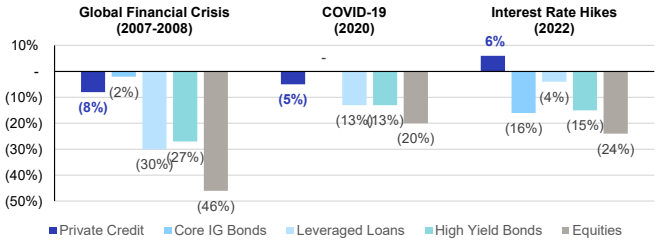
Volatility & Return (20 Years)



Income Yield (20 Years)

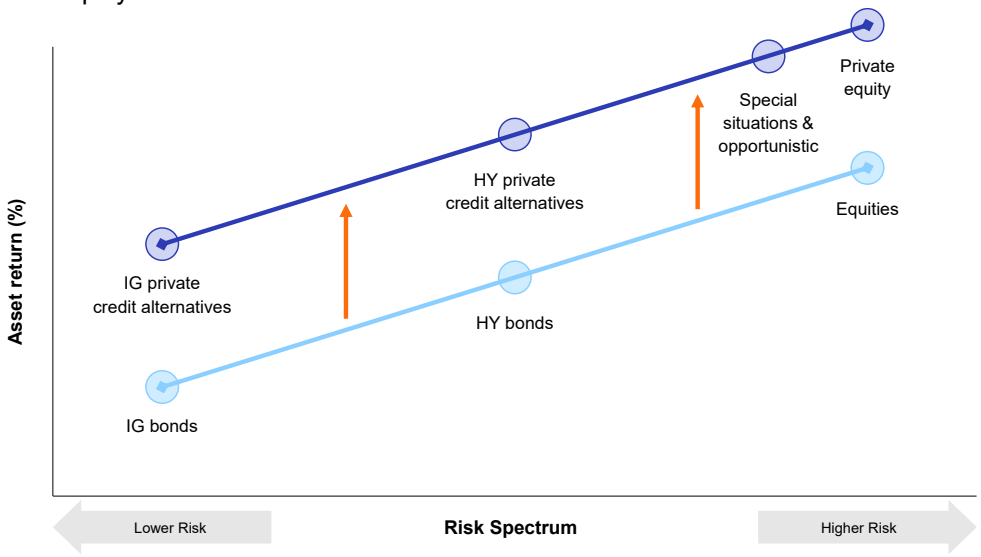


Drawdowns (20 Years)



Some even extrapolate from this data the idea that private credit can deliver *equity-like returns*, with the characteristics of debt. We caution against that expectation. We think investors should be sceptical about expecting equity returns from anything other than equity risk.

A better framework for thinking about private credit (or any private market alternative) is to consider the spectrum of risk and return available, and the premium available compared to public markets for a similar level of risk.[11]



There are private loans which are investment-grade, sub-investment grade, and opportunistic in nature (with some equity-like features).

In stocks, you could own Apple or a penny stock gold miner. They're both stocks but they aren't the same. In bonds, you could own an investment-grade issuance from Berkshire Hathaway or a B- rated bond issued by a fracking company. They're both bonds, but they aren't the same.

[10] Source: T Rowe Price, March 2025. Data represents 3Q 2004 to 2Q 2024.

[11] We believe that when participating in a private market alternative, investors should insist on a premium relative to the publicly traded equivalent. That premium should account for the more bespoke nature of private asset classes, the alpha generated from proprietary origination and structuring, and compensate investors for the less frequent liquidity (compared to daily liquidity in a public market).

And so it is with private credit.

What really matters is where you want to sit on the risk/return spectrum given your investment and portfolio objectives. Do you want higher grade credit and lower return, or higher return and lower grade credit?

Of course, to make that assessment, managers must provide adequate disclosure and transparency regarding a fund's strategy, portfolio composition, risk characteristics, credit performance, governance environment and other structural features.

As aligned co-investors, with MA Financial and its staff having invested over $240 million in all our credit strategies with our clients,[12] we endeavour to provide clients with high quality and transparent disclosure. The sort of information that we would expect as investors ourselves.

We have also been an active participant in the working groups of several industry bodies developing best practice standards for private credit in Australia.

A final reflection on the quarter

Across our GCS portfolios, performance and credit health remain robust, reflecting good underwriting standards.

As you know, we like to say that credit is about *avoiding losers, not picking winners*. On that basis, the proportion of positions in an active workout or enforcement phase[13] across our MA Credit Income fund suite was 2.7% by value in September (represented by 12 positions out of 246 total) and 0.02% in our capital buffered, or MA Priority Income, suite (represented by only one position out of 155 total).

Such loans are well collateralised overall. We include a range of additional disclosure on workout and arrears positions in our quarterly fund disclosures, including loan-by-loan discussion on those positions, which I'd encourage investors to read.

We also undertake quarterly stress testing of our portfolios in the form of our War Games analysis. This information is published as part of our quarterly reporting and in various additional investor updates, such as our recent MA Credit Income Trust (MA1) and MA Credit Portfolio Notes (MA2HA) webinar. We remain comfortable with the observations of our latest stress testing.

Liquidity has been a key focus across the industry this quarter. Across our flagship fund suites, we held total available liquidity of ~14% of AUM at 30 September (cash, liquid instruments and available facilities), which we stress test regularly. Our portfolios are also relatively short-dated, with weighted average credit durations of ~14 – 16 months and laddering of positions.

Credit Income suite

Liquidity	% AUM[1]
Cash	4.6%
Liquid instruments and available facilities	9.7%
Total available liquidity	**14.3%**

Priority Income suite

Liquidity	% AUM[1]
Cash	5.0%
Liquid instruments and available facilities	9.8%
Total available liquidity	**14.7%**

As we wrote to you in our recent fund update letters, our MA Credit Income and MA Priority Income fund suites are not expected to be materially affected by the temporary restrictions on applications and redemptions in the MA Secured Loan Series (SLS), a real estate lending strategy operated by MA's Real Estate Credit team. That action was a prudent step to preserve capital amid challenging residential real estate market conditions. Our MA Priority Income fund suite has no direct real estate lending or exposure to SLS. Based on current conditions, we do not expect the SLS decision to materially impact the ability of the MA Credit Income fund suite to meet its liquidity profile or its ability to deliver on the strategy's investment objectives.

We are conscious the trading prices for MA1 and MA2HA remain below NAV. This is a theme observed across the listed credit investment fund sector. We implemented a 2.5% off-market buyback for MA1 for the September quarter and have recently resumed our on-market buyback capabilities. We have also been active in investor engagement following the release of our third quarter reports.

While it is disappointing to see prices below NAV when fundamental credit performance is good, we believe this is the opportunity in daily traded assets. Price does not always reflect value, which creates an attractive entry point for

[12] MA Financial and its staff have co-invested over $240 million in all MA Financial credit funds at 30 June 2026.

[13] Where the Manager is taking action to stabilise, protect and recover value.

investors to capture extra income yield with potential upside should trading prices move closer to underlying value (in the case of MA2HA, there is in fact a defined date for this, via Note repayment at call).

Ultimately, our biggest focus is on the fundamental credit performance of the underlying strategies. We believe this will eventually be recognised by the market. As Ben Graham said, ***"In the short term, the market is a voting machine. In the long term, it is a weighing machine."***

Finally, we are proud to update that the GCS fund suite continued to resonate with clients through Q3 2026. As a result, our fund suite was in a *net inflow position* (new investor applications less redemptions) for the year-to-date and has seen an increase in Assets Under Management (AUM) of over $500 million during 2026. In the same horizon, our teams have deployed over $1.7 billion in new financing and reinvestments.[14]

Managing your capital responsibly is our guiding light. Thank you again for your continued investment and trust in us.

Best regards



Frank Danieli
Managing Director & Group Executive
Head of Global Credit Solutions
MA Financial Group

[14] Reinvestments include redeployment of repaid facilities and capital.

Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) is the responsible entity for the MA Credit Income Trust ARSN 681 002 531 (MA1) and EQT Responsible Entity Services Pty Ltd (ACN 101 103 011) is the responsible entity for the MA Credit Income Fund ARSN 683 242 659 (CIF). Equity Trustees Limited and EQT Responsible Entity Services Pty Ltd (Equity Trustees) are subsidiaries of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). MAAM RE Ltd (MAAM RE) (ACN 135 855 186) (AFSL 335783), is the responsible entity for the MA Priority Income Fund ARSN 648 809 849 (PIF). MA Asset Management Ltd (MAAM) (ACN 142 008 535) (AFSL 427 515), is the trustee for the MA Secured Loan Series (SLS) and the MA Credit Income Fund (Wholesale) (CIFW) . MA Credit Portfolio Holdings Limited ACN 691 943 638 is the issuer (**Issuer**) of the MA Credit Portfolio Notes (**Notes**). MA Investment Management Pty Ltd ACN 621 552 896 Australian Financial Services Representative Number 001258449, has been appointed as investment manager to manage the proceeds of MA1, CIF, PIF, SLS, and the Notes. This letter has been prepared by MAAM RE and MA Investment Management Pty Ltd (MAIM) (ACN 621 552 896), as an authorised representative of MAAM RE, to provide you with general information in relation to MAIM's investment capabilities, including with respect to MA1, CIF, SLS, CIFW and PIF (each a "Fund" and together, "the Funds") and the Notes. In preparing this letter, MAIM and MAAM RE have not taken into account the investment objectives, financial situation or particular needs of any particular person. Because of that, before making an investment you should consider the appropriateness of this information having regard to those objectives, situation and needs. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Nothing in this letter is a recommendation or offer to acquire, hold or dispose of any interest in the Funds or the Notes. Neither MAAM, MAAM RE, MAIM, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. This letter includes information sourced from third parties which has not been independently verified. **Past performance is not a reliable indicator of future performance**. You should obtain a copy of the Product Disclosure Statement (PDS), Supplementary PDS for MA1 (SPDS) or Prospectus and Target Market Determination (TMD) for each of the Funds and the Notes and consider the PDS, SPDS or Prospectus and TMD before making a decision about whether to invest in any of the Funds or Notes. The PDS, SPDS or Prospectus and TMD for MA1 is available at mafinancial.com/MA1, for CIF at mafinancial.com/invest/private-credit/ma-credit-income-fund and mafinancial.com/invest/private-credit for PIF, and mafinancial.com/invest/private-credit/ma-credit-portfolio-notes for the Notes. CIFW and SLS are available to wholesale clients only under the relevant information memorandum, and applications and redemptions in SLS are currently restricted. Neither MAAM, MAAM RE, MAIM, Equity Trustees, the Issuer nor any MA Financial Group entity guarantees repayment of capital or any particular rate of return from the Funds or the Notes. 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