



Pallas Short Term Fund

Performance Update — Q2 2025

30 June 2025
PSTF

Key Information & Service Providers

Fund Product	Pallas Short Term Fund (PSTF)
APIR Code	PCF7474AU
Net Return	4.75% p.a. plus 1 month BBSW
Total Investor Return (BBSW as at 1 June 2025)	8.50% p.a. (incl. BBSW)
Investment Type	Unregistered Managed Investment Trust
Start Date	November 2021
Term	Open-ended
Distributions	Monthly in arrears
Redemption Notice Period	Minimum 3 months
Trustee	Pallas Funds Pty. Limited. (AFSL No. 473475)
Investment Manager	Pallas Capital Pty. Limited. (AFSL AR No. 1257625)
Platforms	HUB24

Investment Objective

To achieve returns of 4.75% p.a. plus BBSW (net of fees and expenses), and provide monthly cash income, capital preservation and portfolio diversification in short term investments.

The Pallas Short Term Fund (PSTF) seeks to achieve the Investment Objective through the maintenance of a warehouse portfolio that offers look-through exposure to short term real estate loans secured by first mortgages only, predominately located in the Sydney and Melbourne metropolitan areas.

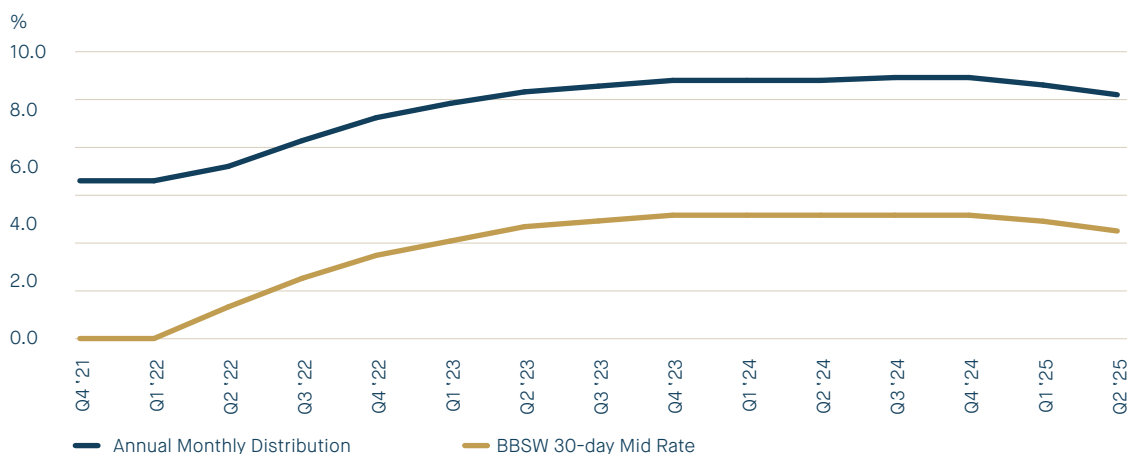
Key Metrics as at 30 June 2025

Total Issue Size	\$61,798,813
Total Investments	\$52,996,418
Total Cash	\$8,802,394
SPV Loan Portfolio	14
Weighted Average Portfolio LVR	64.9%
Weighted Average Term to Maturity	4.2 (months)
Loans in Arrears > 90 Days	2

Fund Performance

	1 Month	3 Months	6 Months	1 Year	Since Inception
Total Return p.a.	8.50%	8.63%	8.80%	8.93%	8.02%
Cents Per Unit	0.70	2.15	4.36	8.93	28.70

Distribution History



Source: Pallas Capital 2025.

NB: In Q3 2022 the Fund converted from a fixed rate to fixed rate margin above BBSW



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Investment Strategy

The Investment Manager continues to deploy the Fund into short term senior debt opportunities with a focus on metro locations along the Eastern Seaboard and to a lesser extent, New Zealand. The investment strategy remains unchanged with our focus on clear and achievable exit strategies and sound sponsor counterparties.

2025 is expected to provide continued strong lending conditions, particularly for construction loans as new residential developments commence to take advantage of expected tailwinds resulting from record immigration, record low residential vacancy rates, an expectation of a softening interest rate environment and a stabilisation of building costs.

Investment Activity

As at 30 June 2025, the Pallas Short Term Fund SPV Lender Portfolio was diversified across 14 first mortgages, with the top 10 investments representing 83.0% of the Total Issue Size as follows:

Top 10 Holdings (SPV Lender Portfolio)

Investment	Amount	LVR	Exposure
Construction, FM Mascot	\$18,820,877	65.0%	30.5%
Construction, FM South Melbourne	\$7,343,589	65.0%	11.9%
Pre-Development, FM Rose Bay	\$5,559,000	64.1%	9.0%
Construction, FM Port Melbourne	\$4,699,900	65.0%	7.6%
Investment, FM Richmond	\$3,660,766	70.0%	5.9%
Pre-Development, FM Rose Bay	\$3,513,237	65.0%	5.7%
Investment, FM Auckland	\$2,435,685	59.0%	3.9%
Construction, FM Ashfield	\$2,001,403	65.0%	3.2%
Construction, FM Caulfield	\$2,000,000	65.0%	3.2%
Pre-Development, FM Fitzroy	\$1,300,000	65.0%	2.1%
Total	\$51,334,457		83.0%

Pallas Capital continues to remain satisfied with the deployment of Fund capital, and the performance of the underlying loans, which includes related party lending exposures.

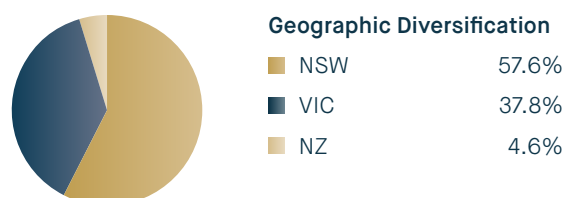
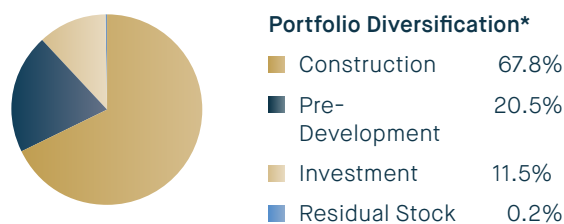
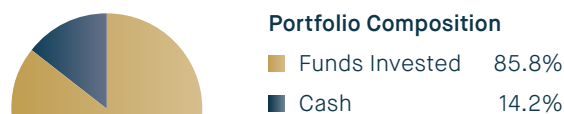
With respect of the loans currently in arrears > 90 days, we note the following:

The two loans are secured by two registered first mortgages in Auckland, New Zealand. For one of the loans, a receiver has been appointed and the Property will either be sold or redeveloped. A decision on the preferred path will be made in Q3 of 2025. For the other loan, the manager has assumed mortgagee without possession to sell the assets and subject to ongoing negotiations with an interested party it will be taken to market in August 2025.

Asset Diversification

PSTF's Asset Diversification metrics includes any holding in Pool Lenders, on a weighted average look through basis.

As at 30 June 2025, the Pallas Short Term Fund portfolio was diversified across Loan Type and Location as follows:



*Based on deployed funds only.
Excludes any cash position of Fund.



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About Pallas Capital

Pallas Capital is an institutional debt and equity investment manager specialising in the finance of Australian and New Zealand Commercial Real Estate. The business was established in direct response to the growing lack of credit in the mid-range property market; a situation exacerbated by the absence of reputable, risk-adverse, non-bank lenders.

This has meant that private capital can increasingly access outsized returns relative to risk in an asset class not previously accessible.

With offices in Sydney, Melbourne, Brisbane, Adelaide and Auckland we have originated and managed more than \$8.3 billion across over 1,000 transactions in the past eight years, with current Funds Under Management in excess of \$3.0 billion.

With a demonstrable track record of capital preservation, Pallas Capital has returned over \$5.3 billion to investors with no loss of principal capital or interest on Pallas investments.

What Investments are Available?

Pallas Capital offers a range of options beyond traditional asset classes that provide differentiated opportunities through Australian Commercial Real Estate.

These include offers bespoke single asset, diversified fund opportunities and separate managed account strategies for wholesale and institutional investors, across the capital stack, which broadly align to investor preferences for liquidity, yield or a combination of both:

- Single asset, Australian & NZ commercial real estate (finance) structured as:
- Ordinary Equity & Preferred Equity;
- Registered First mortgages (investment, specialised assets, land acquisition, pre-development, or construction);
- Second mortgages (registered and unregistered);
- Unlisted, diversified portfolios of Australian & NZ real estate debt or equity products, with and without liquidity and/or income.

Who can Invest?

Pallas Capital products are only available to wholesale clients within the meaning of Section 761G of the Corporations Act 2001 (Cth).

Typically, this may be satisfied by an Accountant's Certificate that certifies that the investor has:

- Net Assets in excess of \$2.5 million, or
- Gross Income in excess of \$250,000 p.a. for each of the preceding two financial years.

What is the Investment Term or Liquidity Profile?

Typically, investments with look-through exposure to senior or junior debt (loan) participations and/or preference equity investments vary between six months and two years in investment tenor.

Ordinary equity investments may extend to three years. Diversified Funds, unless otherwise specified, are open-ended in nature (and are subject to varying redemption notice periods).

By virtue of the asset class and the structure of these products, single asset investments are illiquid in nature and redemptions during the investment term are not possible.

Liquidity profiles (redemption mechanisms) vary between the Diversified Fund products; typically ranging from three (3) months' to twelve (12) months' written notice.

Do the Investment Products provide Income?

Typically, investments with look-through exposure to senior or junior debt (loan) participations, income (distributions or interest) is paid monthly or quarterly in arrears.

Investments with look-through exposure to preference equity investments, income is generally paid monthly or quarterly and/or (partly-paid) upon final redemption. Ordinary equity returns are paid upon redemption or completion of the underlying investment.

Enquiries

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Compliance Certificate for Quarter Ending 30 June 2025

Commercial in Confidence

To: Unitholders

Investment Memorandum – Pallas Short Term Fund

We refer to the Investment Memorandum dated October 2022 issued by Pallas Capital Pty. Limited (ACN 616 130 913) acting as the Corporate Authorised Representative (ASIC No. 001257625) of Pallas Funds Pty. Limited (ACN 604 352 347) as trustee of the **Pallas Short Term Fund** (Issuer) (Investment Memorandum).

This Compliance Certificate is issued in accordance with the reporting provision set out in Section 3 (Key Terms) of the Investment Memorandum. Terms used in the Investment Memorandum have the same meaning in this certificate.

As at 30 June 2025, the Issuer hereby confirms that:

- a) the Issuer is in compliance with all obligations under the Transaction Documents referred to on page 9 of the Investment Memorandum; and
- b) no event of default under the Transaction Documents is subsisting.

Signed for and on behalf of **Pallas Funds Pty Ltd**
as trustee of the **Pallas Short Term Fund**

Director: Patrick Keenan
Date: 31 July 2025

Director: Dan Gallen
Date: 31 July 2025



**PALLAS
FUNDS**