



Pallas Warehouse Trust No.3

Performance Update — Q2 2025

30 June 2025
PWT3

Key Information & Service Providers

Fund Product	Pallas Warehouse Trust No.3 (PWT3)
APIR Code	PCF9185AU
Net Return	6.5% p.a. plus 1 month BBSW
Total Investor Return	10.25% p.a. (incl. BBSW) (BBSW as at 1 June 2025)
Investment Type	Unregistered Managed Investment Trust
Start Date	April 2021
Term	Open-ended
Distributions	Monthly in arrears
Redemption Notice Period	Minimum 12 months
Trustee	Pallas Funds Pty. Limited. (AFSL No. 473475)
Investment Manager	Pallas Capital Pty. Limited. (AFSL AR No. 1257625)
Platform	HUB24, Netwealth, Mason Stevens

Investment Objective

To achieve returns of 6.5% p.a. plus BBSW (net of fees and expenses), and provide monthly cash income, portfolio diversification and capital preservation. The Pallas Warehouse Trust No.3 (PWT3) seeks to achieve the Investment Objective through the maintenance of its diversified and seasoned portfolio that offers look-through exposure to real estate loans secured by first mortgages, predominately located in Sydney, Melbourne and Brisbane metropolitan areas, as well as New Zealand.

Key Metrics as at 30 June 2025

Total Issue Size	\$281,930,943
Total Investments	\$275,311,315
Total Cash	\$6,619,627
Investment Protection (IP)	\$5,000,000
Weighted Average Portfolio LVR	63.75%
Weighted Average Term to Maturity	6.62 (months)
Loans in Arrears > 90 Days	1
SPV Lender Portfolio	
Total Investment	\$91,538,336
Percentage of Issue Size	32.5%
Total Current Loans	28
Weighted Average Portfolio LVR	63.9%
Weighted Average Term to Maturity	5.53 (months)
Pool Lender Portfolio (Look Through)	
Pallas Funding Trust No.2 (PFT2)	
Total Investment	\$27,205,000
Percentage of Issue Size	9.7%
Total Current Loans	81
Weighted Average Portfolio LVR	64.5%
Weighted Average Term to Maturity	8.43 (months)
Pallas NZ Funding Trust No.1 (PFTNZ)	
Total Investment	\$91,983,240
Percentage of Issue Size	32.6%
Total Current Loans	73
Weighted Average Portfolio LVR	63.3%
Weighted Average Term to Maturity	7.93 (months)
Pallas Senior Mortgage Fund (PSMF)	
Total Investment	\$51,894,356
Percentage of Issue Size	18.4%
Total Current Loans	2
Weighted Average Portfolio LVR	65.0%
Weighted Average Term to Maturity	5.32 (months)
Pallas Funding Trust No.3 (PFT3)	
Total Investment	\$12,690,383
Percentage of Issue Size	4.5%
Total Current Loans	12
Weighted Average Portfolio LVR	59.3%
Weighted Average Term to Maturity	6.58 (months)
Total Pool Lender Portfolio	\$183,772,979



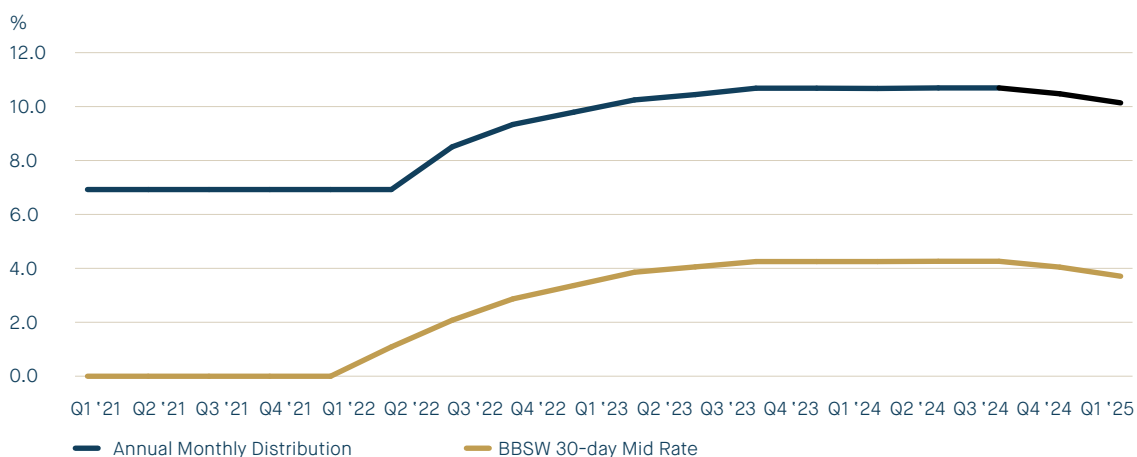
Pallas Warehouse Trust No.3

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Fund Performance

	1 Month	3 Months	6 Months	1 Year	Since Inception
Total Return p.a.	10.25%	10.38%	10.55%	10.68%	10.20%
Cents Per Unit	0.84	2.59	5.23	10.68	39.96

Distribution History



Source: Pallas Capital 2025.

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

Investment Strategy

The Investment Manager continues to deploy the Fund into senior debt opportunities with a focus on metro locations along the Eastern Seaboard and 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 Warehouse Trust No.3 SPV Lender Portfolio was diversified across 28 underlying first mortgages, with the top 10 investments representing 28.3% of the Total Issue Size as outlined in the table to the right:

Top 10 Holdings (SPV Lender Portfolio)

Investment	Amount	LVR	Exposure
Construction, FM Mascot	18,997,228	65.00%	6.74%
Construction, FM Mascot	18,633,084	65.00%	6.61%
Pre-Development, FM Clifton Hill	10,205,000	65.00%	3.62%
Construction, FM South Melbourne	9,123,171	65.00%	3.24%
Construction, FM Double Bay	8,034,640	65.00%	2.85%
Construction, FM Double Bay	3,516,698	65.00%	1.25%
Pre-Development, FM Rose Bay	3,311,763	65.00%	1.17%
Investment, FM Mornington	2,850,000	70.00%	1.01%
Construction, FM Double Bay	2,775,223	50.00%	0.98%
Vacant Land, FM Box Hill	\$2,500,000	50.0%	0.9%
Total	\$79,946,807		28.3%



Pallas Warehouse Trust No.3

Performance Update — Q2 2025

As at 30 June 2025, PWT3 held \$6,619,627 as uninvested cash and \$5,000,000 (5.0% of Issue Size up to a maximum of \$5 million) as Investment Protection (IP).

After applying the IP mechanism to any given individual investment within the PWT3 SPV Lender Portfolio, the effective LVR was 0% in 23 out of 28 positions (i.e. PWT3's position (at reporting date) in the individual underlying loan was less than the IP amount).

As part of the diversification strategy, PWT3 has made investments into two Australian diversified Pool Lenders, and two investments into New Zealand Pool Lenders (one of which is non-construction loans only). To be eligible as a Fund investment, Pool Lenders must lend or invest on parameters substantially the same as (or more conservative than) the Fund.

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.

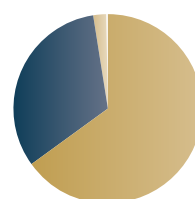
With respect to the loan currently in arrears > 90 days, we note as follows:

The loan is secured by a registered first mortgage in NSW, Australia. Receivers were appointed over the Borrower in February 2025. The exit strategy is to sell the property 'as is' unless the Borrower can present the lender with an unconditional offer to refinance.

Asset Diversification

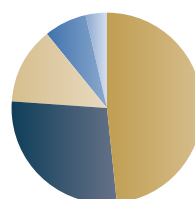
PWT3's Asset Diversification of the total portfolio includes Pool Lenders on a weighted average look through basis.

As at 30 June 2025, the Pallas Warehouse Trust No.3 portfolio was diversified across Loan Type and Location as follows:



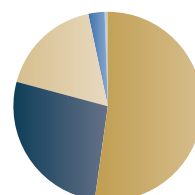
Portfolio Composition

Pooled Lenders	65.2%
SPV Lenders	32.5%
Cash	2.4%



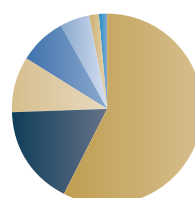
Portfolio Diversification*

Construction	48.3%
Investment	28.0%
Pre-Development	13.0%
Residual Stock	7.0%
Vacant Land	3.6%



Geographic Diversification*

NZ	52.3%
NSW	27.1%
VIC	17.3%
QLD	3.0%
ACT	0.2%
SA	0.1%



Security Property Type*

Residential	57.6%
Office	17.1%
Retail	9.3%
Industrial	8.1%
Mixed Use	5.0%
Vacant Land	1.7%
Specialised Asset	1.2%

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



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Performance Update — Q2 2025

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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Performance Update — Q2 2025

Compliance Certificate for Quarter Ending 30 June 2025

Commercial in Confidence

To: Unitholders

Investment Memorandum – Pallas Warehouse Trust No.3

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 Warehouse Trust No.3 (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 Warehouse Trust No.3**

Director: Patrick Keenan
Date: 31 July 2025

Director: Dan Gallen
Date: 31 July 2025



**PALLAS
FUNDS**