MILLBROOK
GROUP

Quarterly Insights
July 2026

Millbrook Credit Fund Diversified

Millbrook Credit Fund Diversified provides investors with the ability to invest in a diversified range of registered 1st mortgages with different security types & location, terms and LVR's. The minimum investment term is 12 months, with distributions paid monthly.
We treat your money like it is our own.

Fund Reporting & Performance

MILLBROOK CREDIT FUND DIVERSIFIED — KEY METRICS AS AT 30/06/26

Current return	7.50% p.a. (variable from 1 July)
Benchmark	Bloomberg AusBond Bank Bill Index + 1.50%
Weighted average LVR	57.08%
No. of loans invested in	62
Weighted average loan duration	13.52 months
Current Diversified fund size	$47,545,709
APIR	MMM8312AU

HISTORICAL PERFORMANCE	ACTUAL RETURN	BAUBIL + 1.5%*	PERFORMANCE (+/-)
3 months	1.81%	1.44%	+0.36%
1 year	6.96%	5.29%	+1.67%
3 year	7.14%	5.63%	+1.56%
5 years	6.90%	4.57%	+2.33%
Since inception	6.93%	3.95%	+2.97%

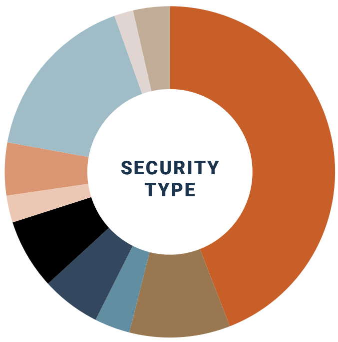
* Bloomberg Ausbond BBI + 1.5% (1 Year)

PLATFORM AVAILABILITY Netwealth, Hub24, AMP North, Australian Money Market, Mason Stevens

Portfolio Analysis

MILLBROOK CREDIT FUND DIVERSIFIED— KEY METRICS AS AT 30/06/26

- 40.48% VIC - Melbourne
- 19.87% VIC - Regional
- 11.42% NSW - Sydney
- 8.75% NSW - Regional
- 14.50% QLD - Brisbane/GC
- 0.49% QLD - Regional
- 0.92% ACT
- 3.58% CASH



- 44.08% Residential
- 9.87% Land - Residential
- 3.47% Land - Industrial/Commercial
- 5.78% Commercial Improved
- 6.86% Construction - Residential
- 2.64% Construction - Land Sub
- 5.15% Construction - Industrial
- 16.69% Industrial
- 1.87% Rural
- 3.58% CASH

Highlights

Demand

Deal flow was strong for the Apr-Jun quarter. We continue to see improved deal flow out of Brisbane and SE Qld.

Types of Loans

100% of the loan book is currently variable.

Arrears

Arrears remained stable for the quarter and continue to be managed closely by the Credit team. Apr > 90 days 1.12% | May > 90 days 1.11% | Jun > 90 days 1.11%

Market Insight

Investor returns have continued to tick up on the back of RBA rate hikes. Our loan book remains well positioned to take advantage of any future rate movements given the short duration of the portfolio (average duration remains ~13 months).

Looking for further investment opportunities?

If you would like to discuss investment opportunities in any of our property credit funds, please contact us directly.

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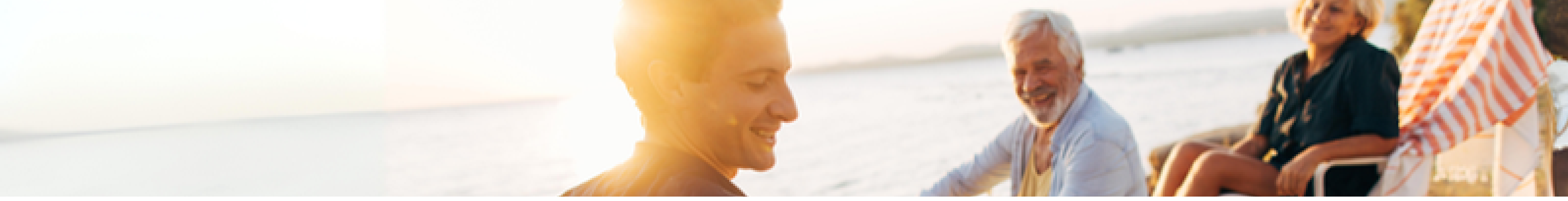

Millbrook Perspective

By Greg Sugars | National Director & CEO | Preston Rowe Paterson
Australia's property market remains the country's largest asset class, with total real estate valued at approximately $13.8 trillion—far exceeding the $3.6 trillion ASX and the $4.5 trillion superannuation sector. Residential property accounts for around $12.6 trillion of this value, while commercial property contributes roughly $1.2 trillion.

Non-Residential Property

Office: A Market Divided
The office sector continues to experience a clear split between premium and secondary assets. Tenants and investors are increasingly selective, favouring modern, sustainable buildings while older stock struggles to attract demand. Vacancy rates highlight significant variation across capital cities, ranging from 10.2% in Perth CBD to 19% in Melbourne CBD, with national vacancy levels remaining elevated. Landlords of lower-quality assets face ongoing pressure as the flight to quality persists.

Retail: Evolving with Consumer Behaviour
Retail property is adapting to the continued growth of online shopping, which now represents an estimated 18–22% of Australian retail spending. Traditional strip retail centres have been particularly affected by weaker consumer spending, higher vacancies, and aging building stock. Assets that have invested in sustainability initiatives and experiential offerings are performing more strongly, reflecting changing consumer expectations.

Industrial: The Strongest Performer
Industrial property remains one of the most attractive sectors for investors. Growth in e-commerce, supply chain restructuring, and near-shoring trends continues to drive demand for logistics and warehousing facilities. In most major markets, demand for well-located industrial assets continues to exceed supply.

Residential Property

The residential market remains resilient but highly segmented.
Strong-performing segments include:

- First-home buyers benefiting from government incentives
- Owner-occupiers purchasing below $1.5 million
- High-net-worth luxury buyers

Segments facing challenges include:

- Investors dealing with compressed yields and policy uncertainty
- Builders and developers impacted by rising construction costs
- Low-equity borrowers constrained by lending requirements
- Holiday-home buyers affected by higher holding costs, including land tax
- Owner-occupiers in the $1.5–$5 million range facing affordability limits

Market sentiment reflects cautious optimism in some areas while uncertainty persists in others.

Key Market Drivers

Growing Influence of Superannuation
Australia's $4.5 trillion superannuation pool continues to support property investment, particularly in commercial and infrastructure-related assets. As super balances increase, the impact of institutional capital on property pricing and investment trends is becoming more significant.

ESG and Sustainability
The introduction of the Australian Sustainability Reporting Standards (AASB S1 and AASB S2) has reinforced sustainability as a core financial consideration. ESG performance increasingly influences tenant demand, financing costs, asset risk, valuation stability, and liquidity. Properties with poor sustainability credentials face growing challenges from investors, insurers, lenders, and regulators.

Government Policy
Several policy areas could significantly affect future market performance, including:

- Potential changes to negative gearing
- Reform of capital gains tax concessions
- Increasing environmental compliance requirements for buildings

Outlook
Australia's property market is not moving uniformly. While industrial assets and high-quality commercial properties continue to attract strong demand, secondary office assets, parts of the retail sector, and some residential segments face ongoing challenges. Investors and owners who focus on sustainability, asset quality, and evolving market fundamentals are likely to be best positioned as the sector continues to adapt to economic, regulatory, and demographic change.

Market Forecasts

ECONOMIC FORECASTS	2025	2026	2027
Real GDP (y/y%)	2.50	1.50	1.90
CPI Headline (y/y%)	3.60	4.00	2.60
Wage Price Index (WPI)	3.40	3.20	3.20
Unemployment (%)	4.30	4.50	4.80
RBA Cash Rate	3.60	4.35	3.60
$A/US cents	0.67	0.73	0.72

Source: NAB Economics, as at 18/06/26

BANK	RBA CASH RATE FORECAST 2026
CBA	On hold for remainder of 2026
ANZ	On hold for remainder of 2026
WBC	Rate hike in August & September
NAB	On hold for remainder of 2026

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