MILLBROOK
GROUP

Quarterly Insights
September 2025

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 30/09/25

Current return	6.75% p.a. (variable from 1 October 2025)
Benchmark	Bloomberg AusBond Bank Bill Index + 1.50%
Weighted average LVR	55.21%
No. of loans invested in	62
Weighted average loan duration	13.24 months
Current Diversified fund size	$42,939,054
APIR	MMM8312AU
Overall Millbrook Credit Fund Size	$161,572,880

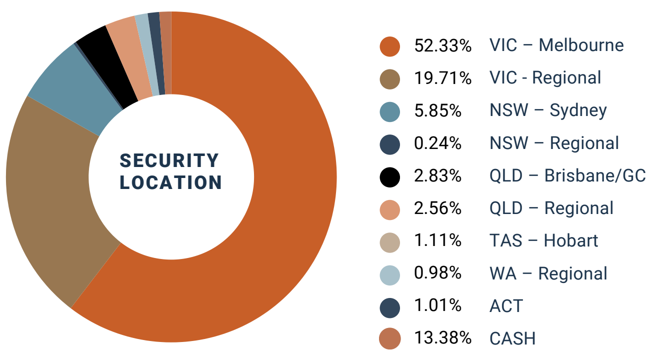
HISTORICAL PERFORMANCE	ACTUAL RETURN	BAUBIL + 1.5%*	PERFORMANCE (+/-)
3 month	1.76%	1.29%	+0.47%
1 year	7.31%	5.61%	+1.70%
3 years	7.01%	5.50%	+1.51%
5 years	6.91%	4.00%	+2.91%
Since inception	6.93%	3.77%	+3.16%

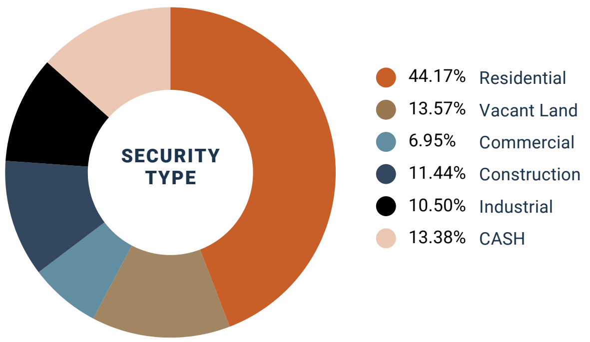
* Bloomberg Ausbond BBI + 1.5% (1 Year)

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

Portfolio Analysis

MILLBROOK CREDIT FUND DIVERSIFIED— KEY METRICS AS AT 30/09/25





Highlights

Growth

MCF Diversified FUM has increased to $42.94m (8.4% increase for the quarter). Overall group FUM is $375m.

Demand

Competition for quality transactions continues to remain elevated. However, demand has picked up in 2H 2025 and we are seeing improved deal flow, particularly out of NSW.

Types of Loans

95.29% of the loan book is currently variable.

Arrears

Arrears remained stable for the quarter and continue to be managed closely by the Credit team. Jul > 90 days 1.31% | Aug > 90 days 1.27% | Sep > 90 days 1.23% |

Market Insight

Investor returns have peaked in this cycle. However, we still expect investors to be rewarded with good risk-adjusted returns. Our loan book remains well positioned to take advantage of 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.

Paul Banda
Investment Manager
paulb@millbrookgroup.com.au
0406 516 546

Raegan Williams
Senior Investment Manager
raeganw@millbrookgroup.com.au
0435 161 435

Millbrook Perspective

This quarterly property market insight has been prepared by **WBP Group**, one of Millbrook Group's trusted property valuation partners.

Australia's housing market is showing early signs of a steady recovery. National home values rose 3.7% in the year to July, edging up from a 3.5% increase in June. While growth remains modest, it points to a stabilising market with demand holding firm despite affordability challenges and elevated interest rates. For investors, this suggests a more predictable environment after a period of volatility.

Victorian Market Overview

As we enter the final quarter of 2025, confidence is gradually returning to Victoria's property market, particularly in Melbourne where the majority of Millbrook Group's portfolio is held. The market is recalibrating following several years of adjustment, creating emerging opportunities for investors who remain focused on underlying value, yield performance, and long-term growth.

Residential Market

Melbourne's residential market has gained momentum since mid-2025, led by strong demand in the sub-$1 million segment and renewed confidence at the premium end above $1.8 million. Stable interest rates and easing inflation have supported this recovery, particularly among investors seeking affordable entry points and long-term capital growth.

Policy settings continue to shape the market. Land tax threshold reductions and new rental standards have lifted holding and compliance costs, prompting some landlords to exit. While this drove a temporary price decline, lower entry prices are now seen as offsetting these pressures, attracting investors back into select suburbs and supporting a measured recovery through 2026.

Commercial Market

Melbourne's city-fringe commercial sector continues to demonstrate resilience, supported by steady activity and investor confidence. In FY25, around 116 properties changed hands, totalling $454.6 million, with South Melbourne, Cremorne, and Collingwood leading the charge. Owner-occupiers and private investors were the most active, targeting office, warehouse, and redevelopment opportunities with strong value-add potential.

Yields have remained stable at around 6.97%, with premium assets trading below 6%. Industrial and logistics assets continue to outperform, driven by strong demand for last-mile and supply-chain infrastructure. Meanwhile, flexible and tech-enabled office spaces are emerging as a preferred asset class, reflecting changing workplace preferences and delivering attractive long-term growth prospects.

Looking ahead

From a Property Valuation Perspective, the market is being shaped by a dynamic interplay of softening capital values, strong owner-occupier demand and policy-driven cost pressures. As interest rates stabilise and inflation trends down, the outlook for 2026 suggests a more predictable environment, for both residential and commercial assets, construction costs, land tax implications and value-add potential are becoming critical components.

For more detail on portfolio performance and current holdings, please see our Millbrook Group Quarterly Portfolio Report.

Market Forecasts

ECONOMIC FORECASTS	2024	2025	2026
Real GDP (y/y%)	1.30	2.00	2.30
CPI Headline (y/y%)	2.40	3.10	2.90
Wage Price Index (WPI)	3.20	3.50	3.20
Unemployment (%)	4.00	4.40	4.20
RBA Cash Rate	4.35	3.35	3.10
$A/US cents	0.62	0.68	0.73

Source: NAB Economics, as at 17/09/25

BANK	RBA CASH RATE FORECAST 2025
CBA	Cut in November taking cash rate to 3.35%
ANZ	Cut in November taking cash rate to 3.35%
WBC	Cut in November taking cash rate to 3.35%
NAB	No further cuts in 2025

(03) 8663 1800
info@millbrookgroup.com.au
Level 7, 1 Collins St, Melbourne VIC 3000
millbrookgroup.com.au