

# Millbrook Income Fund Enhanced

**Millbrook Income Fund Enhanced** targets monthly income payments 5% p.a. above the RBA Cash Rate (net of fees and costs) together with a focus on preservation of capital for investors. The fund is actively managed and uses strict loan criteria to build a quality portfolio of diversified loans secured by registered 1st mortgages and registered/unregistered 2nd mortgages over real property assets in Australia. *We treat your money like it is our own.*

## Millbrook Group

**Millbrook Group** is a specialist property credit fund manager. Established in 2005, Millbrook has a proven track record in providing investors with attractive capital stable returns.

With a genuine focus on building personal relationships, we consistently deliver on our core values of trust, integrity, innovation, and teamwork. We co-invest alongside investors ensuring we have alignment with our investors. Since 2017 we have advanced \$1.14bn in loans (516 loans in total) and repaid our investors \$803m.

## Fund Reporting & Performance

### MILLBROOK INCOME FUND ENHANCED – KEY METRICS AS AT 30/06/25

Quarterly Return (April - June 2025)	8.84% pa (variable)
Fund Target	RBA Cash rate + 5%
Average weighted LVR	64.22%
No. of loans invested in	36
Security ranking breakdown	84% 1 <sup>st</sup> mortgage & 16% 2 <sup>nd</sup> mortgage
Average weighted loan maturity	13.07 months
Current Enhanced Fund size	\$19,297,128
Overall Millbrook Income Fund size	\$218,339,695

## Highlights

### Growth

MIF Enhanced FUM has increased to \$19.30m (9.12% increase for the quarter). Overall group FUM is \$381m.

### Demand

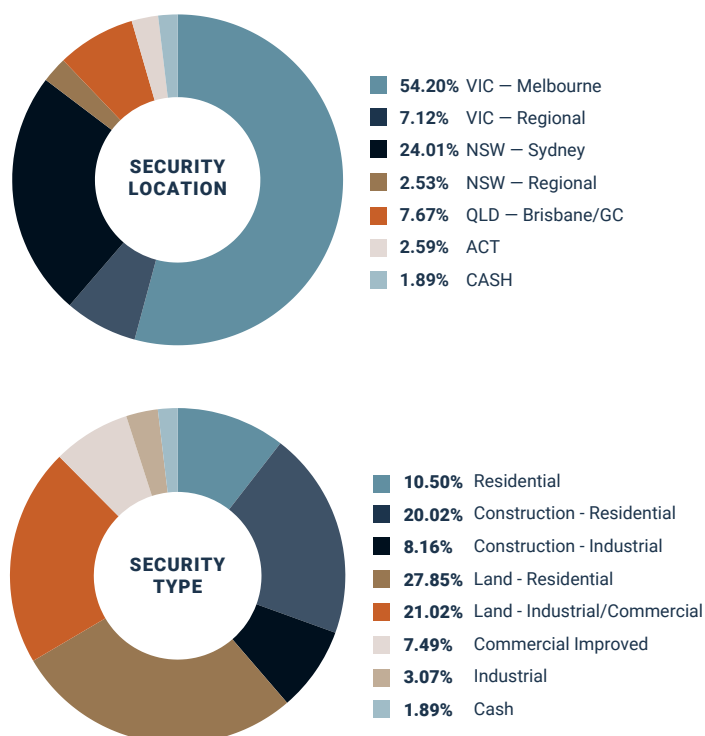
Competition for quality transactions continues to remain elevated. However, given recent rate cuts and the prospect of further rate cuts we expect sentiment in the property sector to improve in 2H 2025.

### Types of Loans

1<sup>st</sup> mortgage loans continue to be written on variable rates. 96% of the Enhanced portfolio is variable.

## Portfolio Analysis

### MILLBROOK INCOME FUND ENHANCED – KEY METRICS AS AT 30/06/2025



### Arrears

Our Credit team continues to closely monitor and manage any loan arrears that arise. No loans currently in arrears by > 90 days.

### Market Insight

Our expectation is that investor returns in the property credit sector will pull back due to the cash rate falling and increased competition. 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 our range of property credit funds investment opportunities please contact us directly.



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# Millbrook Perspective

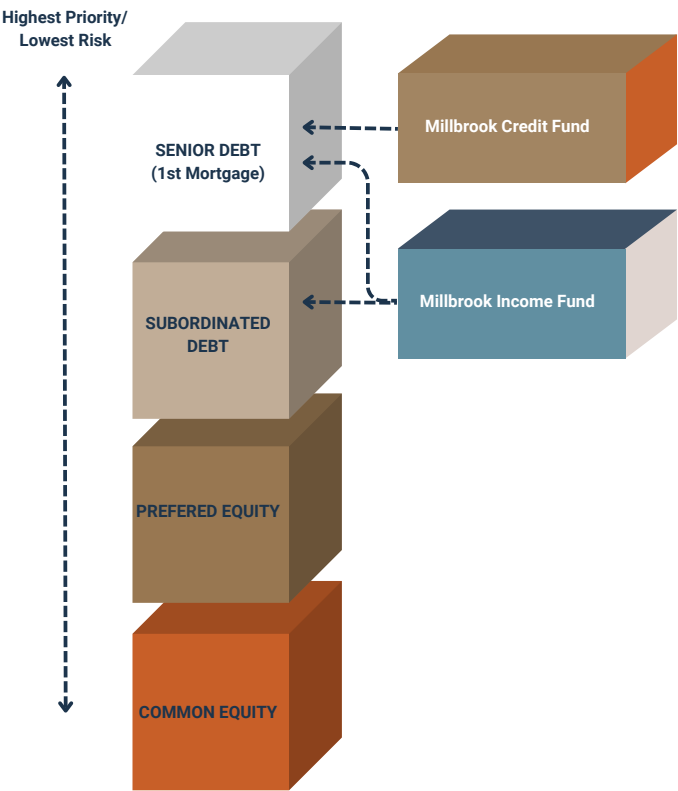
## Property Credit vs. Direct Corporate Lending

Private credit is a fast-growing asset class, now exceeding \$200bn in Australia. It is a broad term, encompassing a diverse investment universe. Within this, two major sub-sectors are Property Credit (Millbrook’s focus) and Direct Corporate Lending—often grouped together but structurally quite different.

Direct Corporate Lending is typically secured by a General Security Agreement (GSA) over company assets, providing access to cash flows but not necessarily physical collateral.

Property Credit, on the other hand, is always backed by a mortgage over real estate—often a first registered mortgage. This positions investors at the top of the capital stack, offering a direct path to recover capital through asset sales if needed. Understanding these differences is key when assessing risk and security across private credit opportunities.

	Property Credit	Corporate Lending
Loan purpose	Typically, property related funding	Business operations, working capital
Borrower type	Developers, property investors & business owners	SMEs, business owners
Backed by	Real property - usually 1st registered mortgage.	GSA over company assets but often not backed by physical property



## Market Forecasts

ECONOMIC FORECASTS	2024	2025	2026
Real GDP (y/y%)	1.30	1.70	2.20
CPI Headline (y/y%)	2.40	2.90	2.80
Wage Price Index (WPI)	3.20	3.50	3.20
Unemployment (%)	4.00	4.40	4.20
RBA Cash Rate	4.35	3.10	3.10
\$A/US cents	0.62	0.70	0.73

Source: NAB Economics, as at 19/06/25

BANK	RBA CASH RATE FORECAST 2025
CBA	Cuts in August & November taking cash rate to 3.35%
ANZ	Cuts in August & November taking cash rate to 3.35%
WBC	Cuts in August & November taking cash rate to 3.35%
NAB	Cuts in August, November & Feb taking cash rate to 3.10%