

Millbrook Income Fund Enhanced

Millbrook Income Fund Enhanced targets monthly income payments 4.5% 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 in excess of \$1.425bn in loans and repaid our investors \$1.124bn.

Fund Reporting & Performance

MILLBROOK INCOME FUND ENHANCED – KEY METRICS AS AT 30/09/26

Quarterly Return (Jul - Sep 2026)	9.08% p.a. (variable)
Fund Target Return	RBA Cash rate + 4.5%
Average weighted LVR	63.04%
No. of loans invested in	45
Security ranking breakdown	90.76% 1 st mortgages & 9.24% 2 nd mortgages
Average weighted loan maturity	13.87 months
Current Enhanced Fund size	\$25,602,512
Overall Millbrook Income Fund size	\$185,422,699

PLATFORM AVAILABILITY: Mason Stevens

Highlights

Growth

MIF Enhanced FUM has increased to \$25.6m (14.3% increase for the quarter). Overall group FUM is \$344m.

Demand

Deal flow was strong in July but plateaued in August and September, in line with general market conditions.

Types of Loans

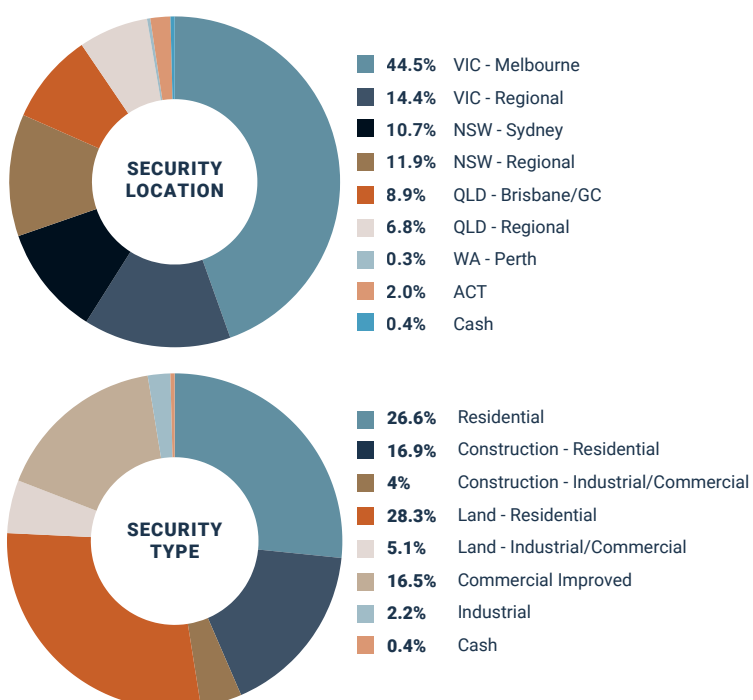
1st mortgage loans continue to be written on variable rates. 96% of the Enhanced portfolio is variable.

Looking for further investment opportunities?

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

Portfolio Analysis

MILLBROOK INCOME FUND ENHANCED – KEY METRICS AS AT 30/09/2026



Arrears

Our Credit team continues to closely monitor and manage any loan arrears that arise. Two loans currently in arrears by > 90 days, representing 3.91% of the portfolio.

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).



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Millbrook Perspective

Why Disciplined Lending Matters to Investors

For investors in private credit, the quality of a lending decision matters just as much as the return it promises.

At Millbrook Group, we believe disciplined lending is fundamental to managing risk. That means looking beyond attractive projected returns and being prepared to decline opportunities when the underlying risks do not justify the potential reward. For our investors, this discipline begins well before capital is committed.

Looking Beyond the Best-Case Scenario

Property development can offer compelling opportunities, but every project carries uncertainty. Construction costs can rise, sales may take longer than expected, interest rates can change and market conditions can deteriorate.

Our approach considers not only whether a project can succeed under favourable conditions, but how it might perform when circumstances change.

This involves assessing the underlying asset, borrower strength, leverage, repayment strategy and assumptions supporting each transaction. Stress-testing these factors helps us understand the margin for error and identify where risks may emerge.

The objective is not to predict every market movement, but to make informed lending decisions that account for uncertainty.

Security Is Only Part of the Equation

Property-backed lending offers tangible security, but security alone does not eliminate investment risk.

A property's value, its ability to be realised, the cost of completing a development and the time required to recover capital can all affect the outcome if a borrower encounters difficulties.

Independent assessment and appropriate loan structures are therefore essential. A strong asset must be considered alongside the practical risks of delivering the project and repaying the loan. Independent assessment and appropriate loan structures are therefore essential.

For investors, this reinforces an important principle: the presence of property security should never be mistaken for a guarantee of capital repayment.

Managing Risk Across the Portfolio

Individual loans must also be assessed within the broader portfolio. Different transactions may share borrowers, funding sources, market exposures or repayment assumptions.

Understanding these connections helps identify concentration risks that may not be apparent when loans are assessed in isolation.

A portfolio-wide perspective is particularly important when market conditions become more challenging, as multiple exposures can be affected by the same underlying pressures.

Why Saying No Can Matter

Competitive markets can create pressure to deploy capital, but not every opportunity is appropriate for every lender.

We maintain independent underwriting standards and pursue opportunities that align with our risk criteria. Where a transaction does not meet those standards, declining it may be the more prudent decision.

Importantly, saying no does not mean predicting that a project will fail. It means recognising that the opportunity, as structured and understood at the time, does not offer an acceptable balance of risk and return.

A Long-Term Perspective for Investors

Successful lending is not measured simply by the number of transactions completed or the returns targeted. It also depends on the quality of underwriting, appropriate structuring and consistent risk assessment.

For Millbrook investors, disciplined lending is about maintaining a clear process, understanding the risks being undertaken and seeking appropriate protection against adverse outcomes.

Our philosophy is straightforward: capital should be deployed because an opportunity meets our investment criteria, not simply because it is available.

While no lending strategy can eliminate risk or guarantee investment outcomes, the willingness to say no is an important part of responsible credit management.

Market Forecasts

ECONOMIC FORECASTS

	2026	2027	2028
Real GDP (y/y%)	1.40	1.60	1.80
CPI Headline (y/y%)	4.20	2.60	2.50
Wage Price Index (WPI)	3.20	3.20	3.20
Unemployment (%)	4.50	4.80	5.00
RBA Cash Rate	4.60	4.10	3.60
\$A/US cents	0.70	0.67	0.70

Source: NAB Economics, as at 17/09/26

BANK	RBA CASH RATE FORECAST 2026
CBA	On hold for the remainder of 2026
ANZ	25 basis point hike in Nov 2026
WBC	25 basis point hike in Nov 2026
NAB	On hold for the remainder of 2026

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