



MEDIA RELEASE

Melbourne, 23 December 2020 – MAXCAP GROUP PTY LTD'S OPERATIONAL CAPABILITY RANKING UPGRADED TO 'VERY STRONG'.

Australia Ratings has reviewed its Operation Capability Assessment (OCA) of MaxCap Group Pty Ltd (MaxCap) and upgraded its ranking to '**VERY STRONG**'. This rating reflects the strong investment management and financial performance since incorporation, which has been maintained despite the COVID-19 pandemic event.

A '**VERY STRONG**' rating is the second highest rating on the Australia Ratings' OCA Ranking Scale; it reflects the very strong capacity of an operating party to perform its operational role and assist the Fund in meeting financial obligations. Australia Ratings analyst, Natasha Hall, said, "the upgraded 'Very Strong' rating is representative of the highly specialised skills and experience of the MaxCap staff and the strength of their business relationships with key clients and prospects". She adds, "MaxCap have an excellent track record in terms of investment performance, having never sustained any form of loss after having originated 340 loans".

Since establishment in 2007, MaxCap has developed into a highly regarded commercial real estate (CRE) financing group, with a focus on Australian real estate debt and investment, including senior debt, junior debt, mezzanine lending, and preferred equity. The key operating entities within the group are MaxCap Group Pty Ltd (MCG) and MaxCap Investment Management Pty Ltd (MIM), which acts as the investment manager of the MaxCap First Mortgage Fund (MFMF), the MaxCap First Mortgage Construction Fund (MFMC), and the MaxCap Industrial Opportunities Fund (MIOF).

The full report is available from www.australiaratings.com.

Find out more about Australia Ratings' Operational Capability Assessments by visiting www.australiaratings.com

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About Australia Ratings' Operational Capability Assessment

An Operational Capability Assessment (OCA) assesses the capacity of an operating entity, special-purpose vehicle, or asset (collectively "operating party") to effectively undertake its defined role of managing the operational risks relating to a pool of financial or physical assets. The ability of an operating party to carry out its role, be it in a superior, adequate or poor manner, ultimately will have a bearing on the performance of the pool of assets.

The assessment covers operational roles undertaken for a pool of assets retained by the owner, or alternatively a pool of assets that underlie a debt issue or managed fund. The assessment addresses how much the operating party enhances or potentially detracts from the ability of the asset pool to pay interest and principal on a specific security as and when due, or the fund's ability to distribute income according the Product Disclosure Statement (PDS). It should be noted that operational risks generally exist in addition to credit, market and liquidity risks.

Operational Capability Assessment Definitions

Assessment	Definition
Superior	An assessment of 'Superior' reflects the superior capacity of an operating party to perform its operational role and assist the issuer or fund to meet financial obligations in a timely manner. An operating party's superior capacity is supported by many superior and reliable operational abilities and strong financial status.
Very Strong	An assessment of 'Very Strong' reflects the very strong capacity of an operating party to perform its operational role and assist the issuer or fund to meet financial obligations in a timely manner. An operating party's very strong capacity is supported by many very strong and reliable operational abilities and possibly some superior qualities.
Strong	An assessment of 'Strong' reflects the strong capacity of an operating party to perform its operational role and assist the issuer or fund to meet financial obligations in a timely manner. An operating party's strong capacity is supported by many strong and reliable operational abilities and some very strong qualities.
Adequate	An assessment of 'Adequate' reflects the adequate capacity of an operating party to perform its operational role and assist the issuer or fund to meet financial obligations in a timely manner. An operating party's adequate capacity will support its role but its resilience to unexpected operational or financial changes is limited.
Weak	An assessment of 'Weak' reflects the weak capacity of an operating party to perform its operational role and assist the issuer or fund to meet financial obligations in a timely manner. The operating party's weak capacity displays material operational, financial or risk management and compliance deficiencies.
Failure to Perform	Assigned when a party contracted to perform an operational role has failed to meet the required standards and terms and conditions of the contract.

Full information about our Operational Capability Assessment can be found on our website, www.australiaratings.com, under 'Analytical Services'.